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ABSTRACT

This study presents information about employer-supported child care, evaluates its prospects for further development in Appalachia, and recommends ways the Appalachian Regional Commission can best encourage such development. A background investigation and four surveys were conducted. The background investigation included a review of the literature and informal telephone interviews with more than 50 people knowledgeable about the subject of employer-supported child care. The survey established employer-supported programs in the United States, Appalachian child care programs, households with children enrolled in Appalachian child care programs, and Appalachian employers contributing to child care. Findings are presented which show the extent of employer involvement in child care, the characteristics of established employer-supported programs, the characteristics of Appalachian child care programs and enrolled children's households, the level of interest among Appalachian employers, and the factors associated with employer interest. Recommendations have been made to the Commission to support the further development of employer involvement in child care in the region with a number of research, training, materials dissemination, demonstration, and technical assistance projects. Forty-two tables summarizing the study's results are appended, along with copies of the surveys used. (Author/MP)

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**APPALACHIAN
REGIONAL COMMISSION
EMPLOYER SUPPORTED
CHILD CARE STUDY
FINAL REPORT**

**SUBMITTED TO
APPALACHIAN REGIONAL COMMISSION**

**SUBMITTED BY
UNIVERSITY RESEARCH CORPORATION**

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APPALACHIAN REGIONAL COMMISSION
EMPLOYER SUPPORTED CHILD CARE STUDY
FINAL REPORT

Submitted To:

Appalachian Regional Commission

Submitted By:

University Research Corporation

May 1982

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ABSTRACT

This study presents information about employer supported child care, evaluates its prospects for further development in Appalachia, and recommends ways the Appalachian Regional Commission can best encourage its development.

A background investigation and four surveys were conducted. The surveys sampled established employer supported programs in the United States, Appalachian child care programs, households with children enrolled in Appalachian child care programs, and Appalachian employers.

Findings are presented which show the extent of employer involvement in child care; the characteristics of established employer supported programs; the characteristics of Appalachian child care programs and their enrolled children's households; the level of interest among Appalachian employers and the factors associated with employer interest.

Recommendations are made to the Appalachian Regional Commission to support the further development of employer involvement in child care in the region with a number of research, training, materials dissemination, demonstration and technical assistance projects.

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1.0 INTRODUCTION

1.1 Study Purpose and Objectives

The principal purposes of this study are to: 1) provide information which will help the Appalachian states and existing child care providers in efforts designed to encourage employer participation in child care and, 2) identify and recommend ways states and local development districts can best use Appalachian Regional Commission (ARC) funds to initiate employer participation in child care programs.

The objectives or questions examined include:

1. What are ways or options employers have for supporting child care?
2. What are reasons why employers choose to support or not support child care?
3. What is the extent of employer involvement in child care in the U.S. and in the ARC region?
4. What effect does a rural location have on employer involvement in child care?
5. What are the characteristics and experiences of established employer supported child care programs?
6. What are the characteristics of established child care programs in Appalachia?
7. What are the characteristics of the parents and households which are now using Appalachian child care programs?
8. What interest do Appalachian employers have in supporting child care and what is the nature of that interest?
9. What incentives are being used to encourage employer involvement?
10. What are the approaches ARC could reasonably use to encourage additional employer involvement in child care in Appalachia?

1.2 General Approach

The general approach to this project included a background investigation and four surveys. In addition an advisory panel of six members assisted on an ad hoc basis with aspects of the project design, the identification of contacts and resources, periodic advice, and the review of drafts. A list of panelists is presented in Appendix B.

The background investigation included a review of the literature and informal phone interviews with more than 50 people knowledgeable about the subject of employer supported child care. It attempts within reasonable limits to answer what was already known about each of the study questions.

The first survey was of 25 employer supported programs located throughout the U.S. It was a structured phone interview survey which permitted a first hand identification and analysis of the characteristics and experiences of a sample of employer supported programs.

The second survey was of 33 Appalachian child care programs. It was a structured phone interview survey of established programs of all types located throughout the Appalachian region. This survey provides a descriptive analysis of established child care providers in the region.

The third survey was of households with children enrolled in 25 of the 33 Appalachian programs already surveyed. It was a mail survey to which 453 households responded. It provides a descriptive analysis of the characteristics of these households and the degree of parent satisfaction with their child care arrangements.

The fourth survey was mail survey of 613 Appalachian employers to which 288 responded. It estimates the extent of involvement and level of interest in child care among a representative sample of Appalachian employers.

1.3 Limitations and Significance

The major limitations of the project, methods, findings, and recommendations are:

- o The employer supported Appalachian program and household surveys are restricted samples and their findings can not be reliably generalized beyond the group responding.
- o The employer supported program and household surveys focused primarily on center based child care.
- o The current extent of employer involvement in child care can only be estimated at this time.
- o Knowledge about the effect of employer supported child care programs on employee and employer performance is primarily subjective.
- o The effectiveness of various incentives for encouraging employer involvement can only be suggested.

The major significance of the project methods, findings, and recommendations are:

- o The most current estimates of the level of employer involvement and interest available from other surveys have been identified.
- o The Appalachian employer survey is representative of the types of employers sampled, meaning the findings can be generalized beyond the group responding.
- o The best available estimates of the extent of employer involvement in the U.S. and Appalachia are identified.

2.0 BACKGROUND

2.1 Industry and Employment in Appalachia

In the Appalachian region, approximately 6.5 million people were employed in 1970. Nearly 70 percent of the civilian labor force was employed in four types of industry:

Manufacturing	33.7%
Retail and Wholesale Trades	17.8
Professional Services	8.1
Educational Services	<u>7.7</u>
TOTAL	67.3%

Manufacturing was the largest industrial employer, employing more than 2 million people. The nine leading manufacturing employers in Appalachia, which employed nearly 1.5 million workers, were:

<u>Manufacturing Group</u>	<u>Employment (in thousands)</u>
Primary Metals	255
Textile Mills	233
Apparel and Textile Products	208
Machinery	151
Electric and Electronic Industries	143
Fabricated Metal Products	130
Chemical and Allied Products	104
Food Products	103
Stone, Clay, and Glass Products	<u>94</u>
TOTAL	1,421

Of these manufacturing groups, the leading three groups accounted for more than one third of the region's manufacturing employed work force. The two leading groups, primary metals and textile mills, had concentrations of nearly 2.8 times the national averages.

The retail and wholesale trade sector employed 1.6 million people in 1970 in the region, with employees fairly evenly distributed among this industry's job categories. The wholesale trade was the leading group employing over 205,000 workers.

The professional services sector employed over 525,000 people in 1970. Hospitals and health services accounted for over 60 percent of the employment in this sector.

The educational services sector employed approximately 503,000 people, with public schools and colleges accounting for more than 70 percent of this employment.

2.2 Employment of Women and The Need for Child Care

2.2.1 Employment of Women

In March of 1978 49 percent of all women over age 16 or 40.9 million women were working. It is estimated that by 1990 this will increase by 10.9 million to where over half or 54.8 percent of all women over age 16 will be working. (Smith, 1979)

Women typically earn less than men. In 1956 women earned 63 percent of what men earned. By 1975 this had declined to 59 percent. (Smith ed., Barrett, 1979) Although many reasons are suggested for this discrepancy in earnings the explanation remains unclear.

Women typically do different jobs than men. Table 2.1.1 shows the distribution of the female labor force by occupation and the percentage of women in each class. (Smith ed., Barrett, 1979) (U.S. Department of Labor, 1977)

TABLE 2.1.1: Distribution of the Female Labor Force
and the Percentage of Women in Each Class, 1977

<u>Occupation</u>	<u>Percent of Total Women</u>	<u>Percent of Total Employed</u>
Clerical	36	79
Service	21	62
Education	8	64
Retail	6	67
Nurses	5	83
Textile	4	76
Other	<u>20</u>	-
Total	100	

Barrett observes in her analysis of women's occupations, earnings and career opportunities that trends among younger workers indicate that most women coming into the labor force would prefer and are likely to continue to be employed in the traditionally female occupations.

2.2.2 The Need for Child Care

Some of the most frequently cited statistics used to claim the need for more child care services are those which show that women in general and mothers with young children in particular have been increasing their participation in the labor force and are expected to continue to do so in the future. A sampling of the U.S. Department of Labor's tabulations of labor participation statistics found in the literature reviewed for this study illustrate the case being made.

- o From 1900 through 1940, 20 to 25 percent of all adult women participated in the labor force. During World War II the rates reached 35 percent. After World War II the rates dropped but never below pre-war levels. (Perry, 1978)
- o The participation of all adult women ages 16 to 54 in the labor force was approximately 20 percent in 1900, 59 percent in 1979, and is projected to increase to 68 percent by 1990. (Perry, 1978) (Smith, 1979)
- o The labor force participation rates for mothers with children ages 6-17 in families where the husband is present was 28 percent in 1950, 58 percent in 1978, and is expected to increase to 70 percent by 1990. (Perry, 1978) (Smith, 1979)
- o The labor force participation rates for mothers with children under 6 in families where the husband is present was 12 percent in 1950, 42 percent in 1978, and is projected to increase to 55 percent by 1990. (Perry, 1978) (Smith, 1979)
- o The labor force participation rates for mothers with children under 3 increased more than 11 percent between 1977 and 1978 and is increasing faster than any other group. (Kamerman, 1981)
- o Between 1978 and 1990 it is expected that there will be an actual increase of 8.6 million working mothers with children under age 18. 5.5 million will be working mothers with children ages 6-17 and 3.1 million will be working mothers with children under 6. The 8.6 million increase from these groups with young children account for over three quarters of the total projected increase of 10.9 million women in the work force from 1978 to 1990. (Smith, 1979)
- o Between 1977 and 1990 the number of children under age 6 with working mothers will increase 63 percent or by over 4 million from 6.4 million in 1977 to 10.5 million children in 1990. Nearly 45 percent of all children under 6 will have working mothers by 1990. (Moore, 1979)

The data available for working mothers in Appalachia are limited so that it is difficult to compare the national figures shown above to the region. However, the data that are available appear very similar. The 1976 Survey of Income and Education estimated that 49 percent of Appalachian families were either headed by a female or the wife worked. The comparable national figure was 52 percent. In 1970, 29 percent of Appalachian mothers with children under 6 were in the labor force compared with 31 percent nationally. (CSR, 1979)

Other factors often mentioned which also affect women's participation in the labor force or the need for child care or both are economic need, the increase of the number of women in the childbearing years, the leveling off of previously declining fertility and birth rates, the increase in the level of education achieved by women, societal and attitudinal changes about working women

and mothers, a possible decline in the available pool of informal child care arrangements, the limited availability of formalized child care, and the estimated numbers of children of working parents who either care for themselves or are cared for by parents working fulltime. Although there may be some question as to the accuracy, effect and significance of these other factors they are overshadowed by the more commonly accepted projections of large increases of mothers with young children into the labor force and the compelling effects this will have on women, children, families, government, employers, and the child care community.

2.3 Current Status of Child Care

The choices parents face about child care, if they are fortunate enough to have a choice, can be classified into four categories:

- o Parental care
- o Care by nonrelatives in their own or other homes
- o Care by relatives in their own or other homes
- o Other formal arrangements including family day care homes, day care centers, and preschools.

Parents are still the primary providers of care for their own children in their own homes, at least until the children reach school age. In most cases, the mother stays home with the children while the father goes to work. Many parents, however, look to relatives and nonrelatives to provide care in their own homes and outside their homes. (UNCO, 1975)

Current trends show that the traditional forms of care are changing as increasing numbers of women enter the workforce and as parents look for improved educational opportunities for their children. Many parents today view the child care experience as an opportunity for the child to learn and become better prepared for school. (CBO, 1978)

The most common forms of formal care outside the home are family day care homes, day care centers, and preschools. (UNCO, 1975)

Family day care homes usually have an adult caretaker attending to less than six and an average of two children in the home. Usually the adult is also caring for her own children. There are more than 100,000 licensed family day care homes in the United States and as many as ten times more operating without a license. They are usually inexpensive, conveniently located and subject to the availability of the operator. Licensed homes serve over 300,000 children nationally. (Westat Research Inc., 1971) (CBO, 1978) (Abt Associates, 1979)

Day care centers are larger, licensed, and more formally organized. They usually care for a minimum of 12 children ranging in age from 3 months to 13 years. The ages of most of the children are between 3 and 5 years. There are over 18,000 centers in the United States; most of them are in urban or suburban areas. Generally they operate for full days, nine to twelve months

per year. Day care centers provide care for more than 900,000 children nationally. Only 10 to 15 percent of the preschool children of working mothers are enrolled in day care centers. (CBO, 1978) (DHEW, 1978)

Preschools are generally operated on a part day or part week basis and do not serve the needs of full time working parents. They nearly always care for children ages 3 to 5 and are geared to educational enrichment. The number of preschools nationally is not known. As many as half of all children ages 3 to 5 are enrolled in a preschool. (Commerce, 1978)

The factors that seem to affect or limit the parents' choices regarding child care include cost, location, convenience of hours, the caregiver's background, and the educational content of the care provided. Cost, location, and schedule are the predominant factors. (CBO, 1978) Some observations showing their relevance include:

- o Working women consistently spend between one-fifth and one-sixth of their earnings on child care.
- o Roughly two-thirds of parents who take their children to the day care facility report a travel time of less than 10 minutes.

Figure 2.3.1 shows a comparison of the types of child care arrangements made by parents as reported in four surveys. (Baden and Friedman, 1981.)

In Appalachia in 1978 over 100,000 children were enrolled in licensed day care centers, over 8,000 were in licensed family day care homes and nearly 34,000 were in headstart or federally supported preschools. This enrollment represents an estimated 23 percent of the total number of children under 6 with working mothers in Appalachia. (CSR, 1979)

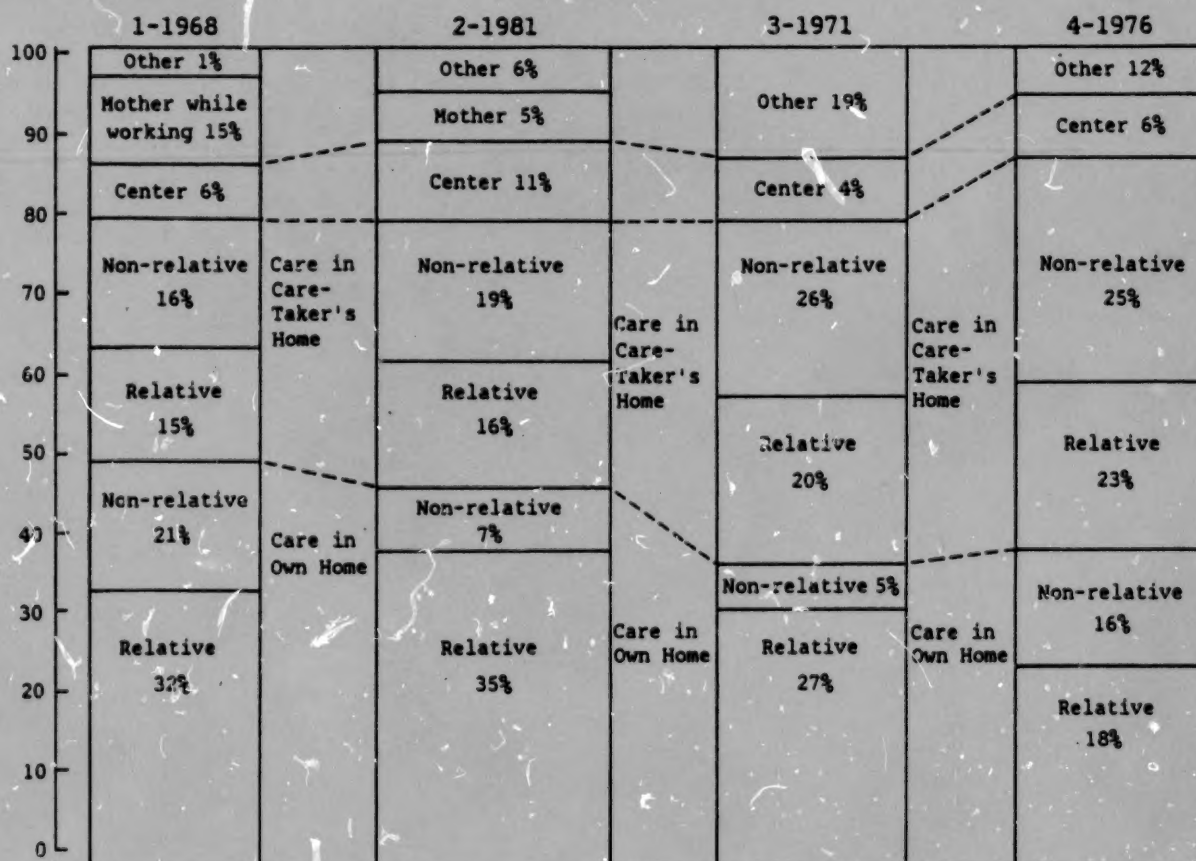
Several other factors besides cost, location and schedule affect the use of child care. They include:

- o Race and ethnic origin
- o Number of children in the family
- o Marital and employment status of the mother
- o Family income
- o Number of hours of care used
- o Federal and state subsidies of particular types of care.

It is important to note that the factors of urban or rural residence and the region of residence have been shown to be considerably less significant. The key factors have not been analyzed by researchers to show the relative importance of each, or their relation to working and nonworking mothers. Research has also failed to take into account the quality of the programs, precise age classes of children served, and other finer characteristics of programs. Nevertheless, some distinctive observations have been made concerning these factors, some of which are mentioned below (CBO, 1978):

- o Minorities, particularly Hispanic families, are more likely to have their children cared for by family members.

Figure 2.3.1 - Types of Child Care Arrangements Used by Working Mothers As Reported by Four Surveys



NOTES:

- **Source:** Adapted from comparison presented in New Management Initiatives for Working Parents, 1981.
- **Working Mothers:** Survey 1: All working mothers with children under six. Survey 2: All working mothers with children under six and with family incomes less than \$8,000. Survey 3: Working mothers aged 14 to 24 years. Survey 4: Working mothers with children under 14.
- **Surveys:** Survey 1: Low and Spindler, 1968. Survey 2: Westinghouse Learning Corp., 1981. Survey 3: Shea et. al., 1971. Survey 4: Unco Inc., 1976.

- o Minorities are more likely to use day care centers and preschools, even though their stated preference is to have relatives care for their children. This probably is related to the correlation between race, income and government subsidy.
- o When a child between 14-17 is present, families are more likely to have that child assume responsibility for the care of younger children.
- o Single, employed mothers are much more likely than employed wives to use day care centers and nursery schools.
- o As income rises, families are more likely to use higher-priced care.
- o Families requiring more than 30 hours of care per week are more likely to use day care centers and licensed family day care homes.
- o Federal subsidies are directed toward the two major forms of formal care: day care centers and licensed family day care homes.
- o Over half of federally subsidized children are enrolled in centers; over one-quarter are enrolled in family day care homes.
- o About one-quarter of all children enrolled in day care centers are receiving federal support, and approximately half the day care centers in operation have children receiving federal support.

2.4 The Government's Role

The history of the U.S. Government's involvement in child care includes a series of programs, most of which were designed to meet specialized social or economic objectives. In the 1800s, the government helped support orphanages, as alternatives to neglect, and nurseries for the children of mothers who had to work. Most of the support for these institutions, however, came from philanthropists. During the 1930s, the Federal Emergency Relief Administration provided federal funding of day care to help create jobs for victims of the depression.

During World War II, the government supported day care centers to enable women to work in defense industries. This support ended after the war. In the 1960s, the Social Security Administration provided money for child care to welfare recipients, and the Office of Economic Opportunity began Project Head Start which was designed to assist disadvantaged children.

More recently, the government has debated and rejected proposals for the Comprehensive Child Development Act, the Child and Family Services Act, and the Child Care Act of 1979. The rejection of these proposals reflects present uncertainty over the proper extent of the government's role, the effect of formalized child care on the family, and the best manner in which care should be delivered.

Despite this uncertainty the government spent nearly 2.3 billion on child care services in 1977. By one estimate the federal expenditure represented about 40 percent of the total child care costs in 1975-76. A summary of the federal obligations for child care is presented in Table 2.4.1. (CBO, 1978)

TABLE 2.4.1: Federal Funds for Child Care, Fiscal Year 1977: Obligations in Millions of Dollars

<u>Program</u>	<u>Obligations</u>
SSA, Title XX - Day Care	\$ 809
SSA, Title IV-A - AFDC	84
SSA, Title IV-A - WIN	57
SSA, Title IV-B - Child Welfare	5
Head Start	448
ESEA, Title I - Preschool & Kindergarten	136
ESEA, Title I - Supplement - Migrants	14
ESEA Title VI-B - Handicapped	8
ESEA Title VI-C - Early Education	14
Subtotal HEW	\$1,575
DOA, Child Care Food Service	120
Appalachian Regional Commission	9
Community Services Administration	3
HUD	43
DOI, Bureau of Indian Affairs	3
Tax Credit	500
TOTAL	\$2,253

Source: Congressional Budget Office (CBO), 1978

The principal federal programs are briefly described below.

- o ESEA Title I: The Elementary and Secondary Education Act programs provide support to local educational agencies for supplementary education services for children in disadvantaged areas. Children are enrolled based upon academic skills rather than family income. About eight percent of the children are enrolled in preschool or kindergarten.
- o USDA Child Care Food Service Program: This program is operated by the Department of Agriculture and provides cash and food to child care institutions to serve meals to children.
- o SSA, Title IV-A, AFDC Work Expense Allowance: The Aid to Families with Dependent Children Work Expense Allowance is an indirect expenditure program which permits families to deduct child care expenses from income to determine eligibility for AFDC support.
- o SSA, Title IV-A, WIN: The Work Incentive Program is a job placement and training assistance program for welfare recipients, many of whom have children under 6. For these persons, states provide child care services necessary for training and job placement.
- o ESEA Title VI B&C: These programs provide for early and school age supplementary education for the handicapped.

- o Appalachian Regional Commission: The ARC Child Development Program provides planning and service delivery support to communities in the Appalachian Region for programs serving children under six years of age. The principal program areas the Commission supports are day care, education, health, nutrition, and social services.
- o CETA: The Comprehensive Employment and Training Act provides child care workers and staff through Title VI Public Service Employment component.
- o Department of Interior, Bureau of Indian Affairs: The BIA supports kindergarten and parent-child development programs.
- o IRS, Amortization of Child Care Facilities: Employers are permitted, under Section 188 of the Code, to amortize child care facilities over a five year period or more rapidly than the actual useful life. This deduction or tax postponement was intended to provide an incentive to employers to create child care facilities for the use of their employees. Other tax disadvantages accompanying this deduction, principally the loss of the investment credit, have resulted in its not being widely used. Section 188 expired as of January 1, 1982.
- o Child Care Tax Credit: As revised for tax year 1982, it allows families to take a tax credit of up to \$720 for one child to a maximum of \$1,440 for more than one child. It is an adjustment to tax revenue which in 1978 was valued at over \$650 million and claimed by nearly 3 million families. A more detailed explanation of the tax credit is presented in Appendix B.
- o Title XX Social Service Grants to States: This program provides the largest direct support for child care services, and is directed to lower and moderate income families. An estimated 800,000 children were served by the program in 1977.
- o Head Start: This is a part-day preschool program directed toward poor children and the handicapped. It is a comprehensive and high cost education program which served 350,000 children in 1977.

The government has proposed a number of strategies for changing its role in child care. Some of these suggestions have included the expansion of Head Start, expansion of Title XX, expansion of the tax credit, allowing the credit to be refundable, initiating a new day care and preschool program, and starting before and after school programs. Instead, the Reagan administration has moved rapidly to reduce government outlays across all social programs including child care. Cuts of some significance have been made in the USDA food program, ESEA, Title XX, CETA, ARC, and others. This can be expected to have a serious impact on child care and day care in particular.

The Childrens Defense Fund, an advocacy group for children has identified a number of changes in the FY 82 federal budget which will affect child care. Some of their observations are mentioned here.

- o Title XX: Title XX funds were placed in the Social Services Block Grant with a number of other federal programs. States will no longer be required to target Title XX services to low income children. The 25 percent State matching requirement was dropped. Two hundred million dollars of federal support which is free of any state matching requirement and which was previously earmarked for child care was eliminated. The total funds applied to the block were significantly reduced. This is expected to result in center closings, a reduction in the number of people eligible for child care support, and some loss of jobs for mothers and providers.
- o Child Care Food Program: This program was cut 26 percent to \$260 million in FY 1982.
- o CETA: The Public Service Employment component which provided staff at no cost to many child care programs was eliminated.
- o Appalachian Regional Commission: In FY 1982 the Commission budget was cut by approximately 54 percent.
- o Head Start: The Head Start Program was not cut heavily but has had to adjust its program to keep pace with rising costs by reducing hours of operation, increasing classroom size and increasing the number of children per teacher.
- o ERTA: The Economic Recovery Tax Act of 1981 (ERTA) increases the allowable child care tax credit, establishes a three tiered scale which limits the size of the credit based upon income and introduces a new class of tax-free employee benefits called "Dependent Care Assistance Programs."

The employee benefit and tax credit should have a positive effect on child care particularly for middle income and working parents. Except for this the reductions in federal support are severe. These reductions come at a time when many researchers predict an increased demand for child care and center based care. One group recently observed the U.S. as ranking low or last in government support for child care services and benefits among five European countries studied and argues for a greater government role. (Kamerman, 1981) The further reduction in the federal role will force many parents to look for other arrangements or to look to their families, communities and employers for support.

2.5 Options for Employers

Employers and labor unions can and do support child care in many ways. There are so many variations to the degree, nature, and mix of support that it is difficult to identify mutually exclusive classes of employer involvement. The Appalachian Regional Commission identified four approaches to be considered in this study: 1) on-site; 2) voucher; 3) consortium; and 4) purchase of slots or vendor systems. In theory all these approaches could be combined into one program.

The Commerce Clearinghouse tax paper identified two broad classes of programs: 1) employer responsibility and 2) employee assistance programs.

Employer responsibility programs are those in which the sponsor's involvement is characterized by significant capital outlays, program development, and administrative responsibility. The employee assistance programs are those in which the employer assists the employee in paying, arranging, or otherwise helping the employee with child care. While these classes do not identify the type of child care service provided they do begin to classify the degree of employer support.

A conference about employer involvement in child care was held in Boston in April 1981. In the conference report employer involvement was presented in five basic classes: 1) services; 2) financial assistance; 3) information needs; 4) alternative work schedules; and 5) benefit plans. (Baden and Friedman, 1981)

For the purposes of this study three basic features of employer options are recognized: 1) type of program or service; 2) type of support; and 3) type of participation. Program types are child care services such as information and referral (I&R) services, day care centers, family day care, and part time services. Type of support identifies whether the employer "sponsors" or directly operates a child care service; provides financial assistance to an independently run service, or establishes personnel policies which support child care such as enrollment subsidies and alternative work schedules. The type of participation identifies whether the employer is supporting a program individually or with a group or consortium of employers. A large variety of options can and have been constructed from combination of these features. The classes of each feature are summarized.

- o Program Type
 - 1. Information Service
 - 2. Day Care Centers
 - 3. Family Day Care Homes
 - 4. Partial Programs
- o Support Type
 - 1. Sponsorship
 - 2. Financial Support
 - 3. Personnel Policy Support
- o Participation Type
 - 1. Individual
 - 2. Consortium

Each feature will be presented and briefly discussed.

2.5.1 Program or Service Type

2.5.1.1 Information Services

o Information and Referral (I&R)

Information and referral services help parents locate child care services. They can also determine parents' eligibility for public support and provide some means for coordinating the child care community. Project Connections

estimated in 1980 that there were nearly 6,400 organizations providing I&R services in the U.S. and 4 percent of these were receiving support from industry. Employers can create in-house services or provide support to a community based organization. The Ford Foundation which started its own program within the personnel department found it difficult to maintain and better suited to a community agency. It converted to a voucher program which reimburses employees for I&R services received. Polaroid operates a similar program in Massachusetts. Mountain Bell in Denver, Colorado and Steelcase Inc., in Grand Rapids, Michigan both have full time staff who advise employees about child care services.

o Counseling Services

Employees Assistance Programs (EAPs) are typically designed to meet the needs of troubled employees, particularly those with alcohol and substance abuse problems. Child care and related family problems can be addressed by counselors as well. There are approximately 6.2 million workers covered by EAPs. (Brasch, 1980) Honeywell hired a Working Parent Resource Coordinator through its EAP who provides child care I&R services for the Minneapolis Division. (Baden and Friedman, 1981)

o Education Services

Employers can provide employees opportunities to attend lectures on child development by arranging seminars. The Texas Institute for Families conducts "Noontime Seminars" at the workplace in more than 20 communities in Texas. (Friedman, 1981) Wheelock College runs a similar program in Boston. Wheelock's seminars are usually presented in a series of 10 weekly 1½ hour noontime sessions and are designed to meet the particular needs of the employer. (Baden and Friedman, 1981)

o Materials Distribution

Employers and unions can prepare, collect, and disseminate child care information helpful to working parents with dependent children. The Metropolitan Life Insurance Company has published a number of booklets on child care. Other materials are generally available from community I&R services, local child care services, state licensing agencies and the Federal Government. (Womens Bureau, 1981)

o Needs Assessment

A preliminary step in planning for child care is the community needs assessment which documents the need, availability, cost, nature, and quality of child care services for the employees and community in general.

o Employee Questionnaire

A preliminary step in planning options for further involvement in supporting child care is the employee questionnaire. This could be tailored to address issues related to the options the employer is willing to consider. The literature repeatedly notes that employers may be reluctant to issue a questionnaire for fear it may create expectations which cannot be realized.

2.5.1.2 Day Care Centers

These are programs where child care is provided for a group of children away from their homes in an established setting. The characteristics of the centers and the way employers are involved can vary considerably. Some of the common options combining specific center characteristics with other employer support and participation features are briefly described.

o Work-site or On-site Centers

These are centers which are located on the premises of the employer. The employer usually "sponsors" the program which means it either directly operates or assumes general responsibility for the center. A recent study found that 15 of 18 work-site centers opened between 1960 and 1974 have since closed. The primary reasons for closing have been under utilization and related cost considerations. Nevertheless, on-site centers are still an approach used by employers and unions. The conclusions to be drawn from the experiences of on-site centers are tentative. They seem to suggest that there is a unique mix of specific characteristics of the company, employee population, the community, and the center which make some successful where others have failed. Some examples of companies currently sponsoring on-site centers are Corning Glass, in Corning, New York; Intermedics in Freeport, Texas; and PCA International in Mathews, North Carolina. There are examples of on-site centers where the company contracts with a commercial operator, where little or no subsidy is provided, and where other employers are participating. These are not typical characteristics of an on-site center.

o Off-site Centers

These are centers located off the premises of the participating employer. In these cases the employer typically gives some kind of financial support but does not operate the program. Centers where a consortium or group of employers is involved are usually located off-site but near to each of the participating employers. There are some examples where the employer "sponsors" or operates a program off-site.

2.5.1.3 Family Day Care

These are programs where child care is provided in a home setting. It is another type of day care that an employer, union, or group of employers can help establish, operate, and support. Typically, it involves the recruitment, training, and coordination of private homeowners who take care of children in their own home. It is usually less expensive to operate than center-based care and does not require the large capital investment for facilities. It can, however, be more difficult to operate or coordinate. For this reason employers wanting to use family day care may choose to support an independent network rather than assume responsibility for its operation. The location is more often closer to the employee's home than workplace. Asian, Inc., in San Francisco has organized 15 family day care homes which provide 80 places for children of employees from 11 area hospitals, a university, and the sheriff's office. MIT has approximately 80 family day care homes for University faculty, students, and employees. These are run primarily by graduate student wives. (Friedman, 1981)

2.5.1.4 Partial Programs

o After-School Programs

After-school child care presents a particularly difficult problem for working parents. There are not many public or private programs available for children from ages 6-12, and the private programs are usually expensive. Some centers will operate school-age programs as an adjunct to their normal full-day program, but enrollment is usually limited. Transportation is also a problem for after-school programs because parents are working and not available to drive the children from school to the site. The Texas Institute for Families has sponsored an after-school program coordinated by parks and schools which also provides transportation. Many companies with on-site preschool programs are being asked by their employees to add after-school care. (Baden and Friedman, 1981)

o Summer Vacation Programs

Fel Pro Industries of Skokie, Illinois sponsors a camp for the children of its employees during the summer. The camp runs for nine weeks for \$90. The camp has been in operation since 1973 and serves approximately 240 children or approximately 30 to 40 percent of the employees' children. The company transports the children to and from the camp each day. Fel Pro's employee turnover rate was 30-40 percent nine years ago and is now less than 10 percent. At least some of this reduction is attributed to the camp program. (Baden and Friedman, 1981)

o Child Illness and Emergency Programs

Schools and day care centers are usually not equipped to manage the care of sick children. When a child is sick, the parent is forced to stay home, get a babysitter, or leave work to take the child home. Perry cites examples where the Wichita Day Care Association operated two programs for sick children. One trained CETA workers for the care of sick children in the home and the other provided 50 family day care homes where only sick children were cared for. A Milwaukee program is being planned to train half-day high school students to provide emergency care for children in the home on a half-day basis. Another arrangement is for the employer to contract with a local home health care agency. Child Care Services, Inc., of Minneapolis cares for sick children in the parents' home, using five trained health workers who are on call between 6:30 and 10:30 p.m. The service is offered to local residents and corporations. A similar program is operating in Berkeley; it is called Wheezles and Sneezles. (Friedman, 1981)

o School Holiday and Snow Days

School holidays and snow days present the same kind of problem for working parents as sick days. Many holidays and snow days will not be observed by both the school and employer. The usual alternative for parents is to stay home or arrange for babysitting services. There are no imaginative corporate roles or other special programs designed specifically for this problem although many centers offer a "drop-off" or "one-day" service to parents. Again, the capacity of centers will tend to limit the availability of one-day arrangements.

2.5.2 Support Type

2.5.2.1 Sponsorship

This is where the employer directly operates or assumes general responsibility for the child care service. It implies a greater degree of administrative and financial commitment. It is most commonly associated with work-site day care centers serving individual employers.

2.5.2.2 Financial Support

This is where the employer does not "sponsor" the program but provides financial support to independently operated child care services, either directly or through added child care benefits to employees. Employers can provide financial support alone or together with other employers. Some of the kinds of financial support are briefly discussed.

o In-Kind Goods and Services

In-kind goods and services are common forms of financial support for child care services. Eighty-two percent of the centers reported receiving in-kind goods or services from employers in Perry's 1978 survey. This is perhaps because it does not involve cash outlays, but gives something the employer already has and can more readily spare. It can include:

- o Facilities
- o Janitorial Services
- o Legal Services
- o Accounting Services
- o Food Services
- o Health Services
- o Laundry Services
- o Utilities
- o Architectural Services
- o Materials and Supplies
- o Transportation
- o Referral Services
- o Public Relations
- o Administrative Support
- o Furnishings
- o Equipment
- o Training Support
- o Staff
- o Employers Products

Virtually any material or service used by a child care program could conceivably be given, in-kind, by the donor. The more common gifts include those items most employers would have in extra supply such as facilities, legal services, accounting services, office supplies, and equipment.

o Voucher System

A voucher system is perhaps the simplest and most direct means of providing financial assistance to the employee for child care. The employee is

given a voucher or credit for some or all of the fees for child care. The credit could be limited to a specific program or it could be open to most any program. The amount of credit could be a fixed dollar amount, or a fixed percentage of fees, based upon employee class, income, or a mixture of these and other variables. Polaroid has a voucher program which uses a sliding scale based upon family income. The employees must earn less than \$20,000 to be eligible. The percentage of credit remains the same regardless of the cost of care. The degree of support ranges from 25 to 60 percent of cost. The program has been in operation since 1972, and experiences an average participation of approximately 150 employees per year. Another prominent example of a voucher system is run by the Ford Foundation in New York. This program reimburses employees through vouchers for counseling, day care center, and family day care services. (Friedman, 1981) While the child care services acquired by employees are not run by the employer the administration or processing of vouchers is usually handled directly by the employer. The City of Austin is studying the possibility of paying a third party to administer the program.

o Loans and Loan Guarantees

Loan support does not necessarily involve a donation or bargain terms. Still, loans are a form of financial support even if given at market rates simply because commercial loans for quality child care programs are not readily available. Perry cites Citibank, Bankers Trust, and Chase Manhattan as examples of lending institutions which have had favorable loan policies for the construction and renovation of child care facilities. These, however, are not examples of loans or guarantees by an employer. The Broadcasters Child Development Center in Washington, DC is a recent example in which five broadcasting companies and a local professional association gave gifts and loans of between \$3,500 and \$7,000 each for the start-up of a center which primarily serves their employees. The stations are represented on the Advisory Board. A loan guarantee is another, less demanding, way an employer could assist a program's financial situation. Loans could also involve facilities, equipment, and other goods and services, where the fair market or some discounted value of the items received would be subject to repayment.

o Cash Contributions

Employers and unions can simply make a direct cash contribution to a child care program. Sometimes, contributions are made to a general fund or are somehow restricted. It is more common to find contributions made for a one-time only purpose such as start-up expenses, buildings and equipment than to find gifts for operating support.

2.5.2.3 Personnel Policy Support

This category of support involves changes to personnel policies which improve the working parent's ability to manage child care.

o Temporary and Permanent Part-Time Work

The pressure that work schedules exert on family life is significant. These pressures have been shown to be greater for parents than nonparents and can have a serious impact upon family relations, job performance, and job satisfaction. Part-time work clearly permits more time to be spent with the

family and can relieve some of the work-related pressures. Temporary part-time employment has been more common, but there is an increasing interest in permanent part-time arrangements. In 1977, nearly 70 percent of part-time employment was held by women and it is estimated that 8 percent of the labor force are permanent part-time employees. Part-time work is clearly favored by women and older workers and can make a considerable contribution to the needs of the family and its general well-being. (University of Michigan, 1977)

- o Job Sharing

Job-sharing is an arrangement where full-time positions are converted to two or more part-time positions. It is another means of achieving permanent part-time positions and has essentially the same characteristics.

- o Flextime

Flextime gives employees greater discretion over their work schedules but does not produce any more time away from work. It may, however, permit more manageable schedules, more time to be spent with the family, an increase in the quality of family time and improved productivity. Those employers offering flextime generally do so for reasons other than solving family and child care problems. (Baden and Friedman, 1981)

- o Flexiplace or Work-at-Home

Although not widespread, work-at-home arrangements offer greater flexibility and promise for working parents. The Continental Bank in Chicago has experimented with this in its Word Processing Center. This move was prompted by the convenience of portable equipment, a defined output, and considerable lost time from snow days and transit strikes. Work-at-home is another flexible time arrangement which has great appeal to working mothers, the elderly, and retired people who want to keep active. (Friedman, 1981)

- o Employee Accessibility

Many employers make it impossible or difficult to reach a parent during working hours. A simple relaxation of this kind of policy so that parents can be reached by phone can go a long way to reducing family pressures, stress, and conflict. A survey of working parents in Boulder County Colorado found that 92 percent are allowed to receive phone calls during working hours and leave to care for their sick child. Men however are less available while working and less able to leave. (Friedman, 1981)

- o Flexible Benefits or the Cafeteria Plan

This is a benefit plan which includes a core set of benefits and the added features of flexible credits which the employee can choose to apply toward a range of benefits. Some of these elective benefits can include specific child care support or other items which indirectly help the employee with child care such as additional vacation or personal leave days. The value of the credits will usually depend upon the employee's salary. The design and administration of this kind of package can be expensive so that it has been more attractive to larger firms. TRW, Inc., the Educational Testing Service, and the American Can Company, are examples of companies which have established comprehensive flexible compensation programs for large numbers of employees.

Hewitt Associates, a leading flexible benefits consulting firm, identified 21 corporations with flexible benefits programs as of January 1982. Only one of these, a hospital, offered day care as an optional benefit. Companies have not included child care primarily because of its uncertain tax status. Without a clarifying statute many expected that the value of employer-provided child care payments, services, or vouchers to be includable in the employee's gross income and subject to income tax. The new Dependent Care Assistance Program, Internal Revenue Code Section 129, was established by the Economic Recovery Tax Act of 1981. It will permit the value of corporate child care assistance under plans meeting IRS requirements to be treated as a fringe benefit and as such its value will be excludable from the employee's gross income. Now many of the companies with established plans and many of those setting up plans, of which there are more than 100, are expected to seriously consider including child care as an optional benefit.

2.5.3 Participation Type

This is a simple distinction as to whether employers support child care individually or together with other employers. Group participation is commonly referred to as a consortium. The services supported and the type of support given by consortiums can vary. The most common example is where a group establishes and operates a day care center for their mutual benefit and perhaps for the benefit of the public. The center location varies but usually it is placed near to all the principal participating employers. The Broadcasters Child Development Center in Washington, DC is an example of a consortium of five TV and radio stations which helped start but which does not fully control the operation. In-kind gifts and loans were given in support of the centers start-up. Children's Village in Philadelphia is another example. The Council for Labor and Industry created a center in the garment district in 1976 to primarily serve the children of clothing workers. Families from approximately 80 area employers are enrolled. Employers support the center with tax deductible contributions.

2.5.4 Program Description Resources

While the various features of employer options have been identified this study does not attempt to describe in detail individual employer supported programs. There are a number of good sources for individual program descriptions identified here and listed in the bibliography.

- o New Management Initiatives for Working Parents. This is a summary of an April 1981 conference held in Boston. It was edited by Clifford Baden and Dana E. Friedman. It presents explanation of each of the basic employer options with examples and a number of individual program descriptions.

- o The Child Care Handbook: Needs, Programs and Possibilities. This is a summary of a June 1981 conference. It was prepared by the Children's Defense Fund. It has over 80 pages describing 12 individual child care programs.

- o Employers and Child Care: Establishing Service Through the Workplace. This is a guide for employers, union leaders and employees interested in child care. It was prepared by Kathryn Perry for the Women's Bureau in the Department of Labor and issued in January 1981. It includes a description of the basic employer options and identifies a number of example programs.

o On-Site Day Care: State of the Art and Models Development. This is a report about on-site day care prepared by Welfare Research Inc., in February 1980. It describes the characteristics of day care centers sponsored by basic types of employers, including industry, hospitals, government and universities. Individual program descriptions are presented for each class of employer sponsor.

o Brochures. Many of the employer supported programs have brochures describing their operations. Some examples are:

- The Corning Children's Center, Corning, New York
- A.P. Beutel II Day Care Center, Freeport, Texas
- Stride Rite Children's Center, Boston, Massachusetts
- The Child Development Center, PCA International, Matthews, North Carolina
- Kindustry, Kinder-Care Learning Centers, Inc., Montgomery, Alabama
- Child Care Assistance Policy, Ford Foundation, New York City, New York
- Child Care Assurance Plan, Community Coordinated Child Care for Central Florida, Inc., Orlando, Florida.

o Slide Show. The Corning Children's Center prepared a slide show which is available to rent or buy.

o Videotape. Who's Taking Care of Our Kids is a 30 minute documentary produced by Ruth Fitzpatrick in 1981. It presents filmed visits to six employer supported child care programs and interviews with providers and policy makers in seven cities. It is available to rent or buy from the Kentucky Youth Research Center Inc., in Frankfort, Kentucky.

2.6 The Extent of Employer Involvement in the United States, the Appalachian States, and the Appalachian Region

Employers have historically become involved with child care indirectly through philanthropies or directly when their need for female labor was critical. Some of the day nurseries in the 1900s were supported by the factories where the mothers worked. The World War II centers were sponsored in part by industry but also had support from government. In 1967, IRS permitted rapid amortization of facilities, and a number of employers moved to develop centers with the expectation of profits. Some of these include C&P Telephone Company, Westinghouse, and AVCO Printing. When the profits did not appear and the losses mounted, many of the centers closed.

By the late 1950s, there were no more than 25 industry sponsored day care centers, not including hospital sponsored centers. In 1978, Kathryn Perry conducted a survey which identified the 305 employer and union sponsored centers then in existence. They include:

- o 200 military centers
- o 75 hospital centers
- o 14 government agency centers
- o 9 industry centers
- o 7 union centers.

An updated listing of civilian supported centers shows (Women's Bureau, 1981):

- o 74 hospital centers
- o 15 government centers
- o 12 industry centers
- o 6 union centers.

Other researchers have estimated numbers higher than those reported by Perry. As many as 30 corporate and 100 hospital centers have been suggested. One group not included in the 1978 survey were university centers. These were excluded because it was assumed that in many cases they primarily served students rather than employees of the institution.

The Child Care Information Service, Inc. (CCIS), of Pasadena, California, is currently under contract with the Office of Human Development Services in the Department of Health and Human Services to do among other tasks an inventory of each of the basic models of employer supported child care programs in the U.S. All the activity in this project should be completed by March, 1983 but a preliminary inventory or listing of programs may be available before then. Preliminary summary information was obtained from the project in April 1982. The information shared included:

- o The numbers of employer supported child care programs and number of supporting employers by type of program and type of employer in the U.S.
- o The number of employer supported child care programs in each city or location within the Appalachian States.

Given the location, those programs within the Appalachian region were separated from those outside the region and subsequently identified. A list of the programs in the Appalachian region is presented in Appendix B. The locations were analyzed by community site and by Standard Metropolitan Statistical Area (SMSA) status. The findings from this analysis are shown in six tables presented at the end of this section.

It should be emphasized that this information is preliminary and is not necessarily complete or entirely accurate. However, it does represent the most recent estimate of the number of employer supported programs currently operating in the U.S. A number of considerations about and highlights of this information are summarized here:

- o Appalachian or ARC Region: The Appalachian region as defined by ARC consists of parts of 12 Appalachian States and all of West Virginia. A map of the Region is presented in the Appendix.

- o Types of Programs: The types of programs inventoried included on-site or near-site day care centers, family day care programs, vendor and voucher programs, information and referral programs, financial support programs, and parenting programs. Financial support programs include those child care programs receiving in-kind and cash contributions from employers. Precise definitions for each type of program are not known.

o Types of Supporting Employers: Supporting employers are those employers affiliated with the child care programs. In some cases there is more than one employer providing support to a particular program. There are also examples where one employer supports more than one program. Supporting employers are classified into four groups: hospitals, companies, governments, and unions. Universities or colleges and the military are excluded. In the union group it is the employers associated with the unions which are supporting the programs. The type of employer associated with the unions in the cases cited here was not revealed by CCIS although most are likely to be industrial or company employers. The number of employers participating with the unions was not reported. Also there is no elimination of the possible duplication of individual employers or unions which are supporting more than one program in different communities.

o Total Employer Supported Child Care Programs: The inventory identifies 416 employer supported child care programs in the United States, 79 in the Appalachian states and 14 in the ARC region. (Table 2.5.1)

o Total Number Employers Supporting Child Care Programs: There are 483 employers supporting programs in the United States, 99 in the Appalachian states and 24 in the ARC Region. (Table 2.5.1)

o Number of Employer Supporters by Type in the United States: Most of the employer supporters in the United States are either hospitals or companies. The number of hospital supporters is nearly equal to the number of company supporters: 225 hospitals as compared to 233 companies. Together they account for 95 percent of the employers identified. Sixteen government and 9 union supporters were reported. (Table 2.5.1)

o Number of Employer Supporters by Type in the Appalachian States and ARC Region: There are 99 employer and union supporters in the Appalachian states and 14 in the ARC region. Hospitals and companies represent 89 percent of the supporters in the Appalachian states as compared to 100 percent in the ARC region. There are more companies than hospitals supporting programs in both the Appalachian states and in the ARC region. (Table 2.5.1)

o Number of Employer Supported Child Care Programs by Type of Supporting Employer in the United States: Most programs, 93 percent, are supported by hospitals and companies in the United States. There are significantly more hospital programs than company programs: 225 as compared to 163. Twenty-one government programs and 7 union programs were reported. (Table 2.5.1)

o Number of Employer Supported Child Care Programs by Type of Supporting Employer in the Appalachian States and ARC Region: Hospital and company programs account for 87 percent of all programs in the Appalachian states and 100 percent in the ARC region. There are 42 hospital programs in the Appalachian states and 9 in the ARC region. There are 27 company programs in the Appalachian states and 5 in the ARC region. There are 6 government and 4 union programs in the Appalachian states and none in the ARC region. (Table 2.5.1)

o Comparison of the Number of Supporting Employers with the Number of Programs by Type of Supporting Employer: Although there are fewer programs than employer supporters overall in the United States, there are an equal

number of hospital programs and supporters, a nearly equal number of union programs and supporters, a slightly greater number of government programs than supporters and 43 percent fewer company programs than supporters. The only difference in the number of programs compared to the number of supporters is in the financial support category. It would appear that companies are more likely than other employers to financially support programs which other companies are also supporting financially. This comparison is even more pronounced in the Appalachian states and ARC region. (Table 2.5.1 and Table 2.5.2)

o Number of Employer Supported Child Care Programs by Type of Program in the United States: Of 416 programs in the United States, 270 or 65 percent are sponsored day care center programs. There are 57 parenting and other programs, 46 information and referral programs, 25 financial support programs, and 18 vendor or voucher programs. (Table 2.5.2)

o Hospital Supported Child Care Programs by Type of Program in the United States: Of the 225 hospital programs 96 percent are either centers or information and referral programs. There are 190 centers and 26 information and referral programs identified. (Table 2.5.2)

o Company Supported Child Care Programs by Type of Program in the United States: The company programs are more evenly distributed among the five types of programs than are the hospital, government, or union programs. Approximately one-third of the company programs are day care centers, one-third are parenting or other programs and one-third are enrollment subsidy, financial support or I&R programs. (Table 2.5.2)

o Government and Union Supported Child Care Programs by Type of Program in the United States: Nearly all the union and government programs are day care center programs. There are 19 government sponsored centers, and 6 union sponsored centers. Only 3 other programs receive support from government or unions and all 3 are financial support programs. (Table 2.5.2)

o Comparison of Employer Sponsored Day Care Centers in the United States as Reported in 1978 and Estimated in 1982: The CCIS estimates of employer sponsored day care centers are compared by sponsor types with the centers identified by Kathryn Perry in 1978. The number of centers increased by 165 from 105 to 270 or by 157 percent. The 115 new hospital centers account for most or 70 percent of the increase. The 46 new company centers account for nearly all the remainder or 28 percent of the increase. The proportionate increase of centers is 3.3 times as great for companies than it is for hospitals and both classes of centers have increased significantly. (Table 2.5.3)

o Number of Employer Supported Child Care Programs by Community Size in the Appalachian States and in the ARC Region: Most of the employer supported child care programs in the Appalachian states and in the ARC region are located in urban areas. Sixty-one percent of the programs in the Appalachian states and half of the programs in the ARC region are located in communities of 50,000 or more. Fifty-two percent or 41 of 79 programs in the Appalachian states and 43 percent or 6 of 14 programs in the ARC region are located in communities with populations of more than 100,000. (Table 2.5.4)

There are very few employer supported child care programs located in truly rural areas in the Appalachian states or in the ARC region. Approximately one-quarter of the programs in the Appalachian states and in the ARC region are located in small towns with populations under 10,000. There are 20 programs in the Appalachian states and 4 programs in the ARC region in towns of less than 10,000. Of these small towns only 5 in the Appalachian states and 3 in the ARC region are located outside a designated Standard Metropolitan Statistical Area (SMSA). (Table 2.5.4)

All 5 of the programs located in the Appalachian states in towns of less than 10,000 and in non-SMSA areas are supported by companies. Of the 3 programs located within a non-SMSA town within the ARC region 2 are proprietary programs. Both receive modest support from the same company employer. The third program received limited financial assistance from its company supporter and closed for financial reasons in April 1982. (Tables 2.5.4, 2.5.5, 2.5.6, and 2.5.7)

TABLE 2.5.1: Summary Distribution of Employer Supported Child Care Programs and Supporting Employers by Type of Employer For the ARC Region, the Appalachian States and the United States

	NUMBER			PERCENT		
	ARC REGION	APPALACHIAN STATES	UNITED STATES	ARC REGION	APPALACHIAN STATES	UNITED STATES
<u>SUPPORTERS</u>						
Hospital	9	42	225	38	42	47
Company	15	47	233	62	48	48
Government	0	6	16	0	6	3
Union	0	4	9	0	4	2
TOTAL	24	99	483	100	100	100
<u>PROGRAMS</u>						
Hospital	9	42	225	64	53	54
Company	5	27	163	36	34	39
Government	0	6	21	0	8	5
Union	0	4	7	0	5	2
TOTAL	14	79	416	100	100	100

NOTE: Program model types include on-site or near-site day care centers, family day care, vendor and voucher, information and referral, direct and in-kind financial support, and parenting programs. Principal source of information is the Child Care Information Service, April 1982.

TABLE 2.5.2: Summary Distribution of Employer Supported Child Care Programs and Supporting Employers by Type of Employer and by Type of Program for the United States

MODEL TYPE	NUMBER OF EMPLOYER SUPPORTERS					PERCENT
	HOSPITAL	COMPANY	GOVERNMENT	UNION	TOTAL	
Center	190	55	14	8	267	55
Vendor or Voucher	4	14	0	0	18	4
Financial Support	0	92	2	1	95	20
Info & Referral	26	20	0	0	46	9
Other	5	52	0	0	57	12
TOTAL	225	233	16	9	483	100
PERCENT	47	48	3	2	100	

MODEL TYPE	NUMBER OF PROGRAMS					PERCENT
	HOSPITAL	COMPANY	GOVERNMENT	UNION	TOTAL	
Center	190	55	19	6	270	65
Vendor or Voucher	4	14	0	0	18	4
Financial Support	0	22	2	1	25	6
Info & Referral	26	20	0	0	46	11
Other	5	52	0	0	57	14
TOTAL	225	163	21	7	416	100
PERCENT	54	39	5	2	100	

NOTE: Program model types include on-site or near-site day care centers, family day care, vendor and voucher, information and referral, direct and in-kind financial support, and parenting programs. Principal source of information is the Child Care Information Service, April 1982.

TABLE 2.5.3: Comparison of the Number of Civilian Employer Sponsored
Child Care Centers Estimated by the Child Care Information
Service Inc. in April 1982 with the Number
Identified by Kathryn Perry in 1978

EMPLOYER SPONSORED CENTERS

<u>SPONSOR</u>	<u>Perry-1978</u>	<u>CCIS-1982</u>	<u>INCREASE</u>	
			<u>#</u>	<u>%</u>
Hospital	75	190	115	153
Company	9	55	46	511
Government	14	19	5	36
Union	<u>7</u>	<u>6</u>	<u>(1)</u>	<u>(14)</u>
TOTAL	105	270	165	157%

TABLE 2.5.4: Summary Distribution of Employer Supported Child Care Programs by Community Size and SMSA Status for the Appalachian Region and the Appalachian States

	COMMUNITY SIZE IN THOUSANDS				NUMBER OF PROGRAMS	PERCENT
	0-9	10-24	25-49	50+		
<u>ARC REGION</u>						
SMSA	1	1	1	7	10	71
NON-SMSA	3	1	0	0	4	29
TOTAL	4	2	1	7	14	
PERCENT	29	14	7	50	-	100
<u>APPALACHIAN STATES</u>						
SMSA	15	5	2	48	70	89
NON-SMSA	5	4	0	0	9	11
TOTAL	20	9	2	48	79	
PERCENT	25	11	3	61	-	100

NOTE: Program model types include on-site or near-site day care centers, family day care, vendor and voucher, information and referral, direct and in-kind financial support, and parenting programs. Principal source of information is the Child Care Information Service, April 1982.

TABLE 2.5.5: Distribution of Employer Supported Child Care Programs
by Location, Community Size, and by SMSA Status
For the Appalachian Region

LOCATION		POPULATION	COMMUNITY SIZE IN THOUSANDS				NUMBER OF PROGRAMS
			0-9	10-24	25-49	50+	
AL	Huntsville	137,802				1	1
GA	Gainesville	15,459		1*			1
	Fort Oglethorpe	3,869	1				1
MS	Nettleton	1,591	2*				2
NY	Corning	15,792		1			1
	Westfield	3,651	1*				1
PA	Pittsburgh	520,117				1	1
SC	Spartanburg	44,456			1		1
TN	Chattanooga	119,082				2	2
	Knoxville	174,587				2	2
WV	Charleston	71,505				1	1
Subtotal SMSA			1	1	1	7	10
Subtotal Non SMSA (*)			3	1	0	0	4
TOTAL			4	2	1	7	14
PERCENT			29	14	7	50	100

NOTE: Program model types include on-site or near-site day care centers, family day care, vendor and voucher, information and referral, direct and in-kind financial support, and parenting programs. Principal source of information is the Child Care Information Service, April 1982.

TABLE 2.5.6: Distribution of Employer Supported Child Care Programs and Supporting Employers by Location and by Type of Supporter in the Appalachian Region

LOCATION		NUMBER OF PROGRAMS	SUPPORTER NUMBER AND TYPE				NUMBER OF SUPPORTERS
			HOSPITAL	COMPANY	GOVERNMENT	UNION	
AL	Huntsville	1	1				1
GA	Gainsville	1	1				1
	Fort Oglethorpe	1	1				1
MS	Nettleton	2		1			1
NY	Corning	1		1			1
	Westfield	1		1			1
PA	Pittsburgh	1		12			12
SC	Spartanburg	1	1				1
TN	Chattanooga	2	2				2
	Knoxville	2	2				2
WV	Charleston	1	1				1
TOTAL SUPPORTERS			9	15	0	0	24
PERCENT			38	62	0	0	100
TOTAL PROGRAMS		14	9	5	0	0	
PERCENT		100	64	36	0	0	

NOTE: Program model types include on-site or near-site day care centers, family day care, vender or voucher, information and referral, direct and in-kind financial support and parenting programs. Principal source of information is the Child Care Information Service, April 1982.

2.7 Prospects for Employer Involvement

The prospects for employer involvement in child care hinges in part on their perceptions of the possible advantages and disadvantages, the motivating power of existing incentives, and their current attitudes. Each of these factors is discussed along with the added consideration of the implications of a rural setting.

2.7.1 The Advantages and Disadvantages for Employers

An accurate understanding of what employers can gain or lose from being involved with child care will help define the barriers and constraints affecting their participation and will also contribute to the design of incentives or techniques for promoting their involvement.

There are advantages and disadvantages specific to each option an employer might choose to pursue. Kathryn Perry's 1978 survey of employer-sponsored child care centers identified a number of advantages or benefits that employers cited as a result of their experience in operating these programs. The benefits mentioned were:

- o Increased ability to attract employees (88 percent)
- o Lower absenteeism (72 percent)
- o Improved employee attitude toward the sponsoring organization (65 percent)
- o Improved employee attitude toward work (55 percent)
- o Favorable publicity to employer for articles about the center (60 percent)
- o Lower job turnover rates (57 percent)
- o Improved community relations (36 percent).

These benefits are listed in the order of the frequency with which they were cited by 58 centers reporting changes due to the center. The frequencies are less for the total sample surveyed and less for those centers surveyed by Perry which had closed. Other possible benefits to the employer have been mentioned in the literature. They include:

- o Lower tardiness
- o Lower training costs
- o Improved equal employment opportunity (EEO) position
- o Improved recruitment
- o Improved employee loyalty
- o Improved job performance and employee productivity.

All of these are frequently cited benefits to the employer. Unfortunately they are primarily subjective responses offered by program and employer representatives and do not yet appear to be supported by objective research. There are, however, at least two examples of more objective claims worth noting:

- o The Intermedics Corporation in Texas claims to have experienced an estimated 9 percent cut in employee turnover and a reduction in absenteeism of 3,400 personhours since their on-site center opened in 1980. (Parents in the Workplace, 1981)
- o A survey of working women was conducted which compared three matched samples: one of mothers with young children in the Northside Child Development Center in Minneapolis; one of working mothers with young children not enrolled in day care; and one of women employees who were not parents or whose children were not of day care age. The day care sample showed significantly lower absenteeism and turnover. The data did not show differences in job performance although this is probably attributable to an unsatisfactory performance rating system. (Milkovich and Gomez, 1976)

Hospitals have been a major sponsor of on-site child care. Their interest in supporting child care has been largely prompted by the acute nursing shortage. A recent survey estimated that 80 percent of the nation's hospitals had a nursing shortage. By offering child care as a fringe benefit, hospitals were hoping to reduce the nursing turnover rate and improve their recruitment of licensed and inactive nurses. Most surveys, however, have found that reasons other than child care have contributed to the nursing shortage. (Friedman, 1981) Some of the reasons cited include:

- o Lack of respect from the medical community
- o Not being able to use their skills
- o Overwork and pressure
- o Poor salaries
- o Problems with administration
- o Poor quality of patient care
- o Fluctuating rotation and odd-hour shifts in the evenings and weekends.

It is difficult to know whether child care benefits have improved the hospitals' ability to recruit and retain nurses. Nevertheless, the number of hospital centers continues to increase even though recent trends indicate that part-time and job-sharing arrangements may offer a greater inducement for the attraction and retention of nursing staff. Hospitals may simply be looking to maintain their position in a competitive recruiting market and responding in the few ways they can to a problem over which they have little control.

The basic disadvantage an employer is likely to face by becoming involved with child care services is that the time and resources consumed will not produce a program which achieves the benefits for which it was designed. Other disadvantages or risks an employer may encounter may include:

- o An inability to meet raised employee expectations arising out of the child care planning process
- o An association with a poor quality program

- o Employee discontent associated with a terminated program or benefit taken away
- o Excessive costs.

2.7.2 Employer Attitude and Interest

The figures showing the numbers of employers now supporting child care programs provides some indication of employer interest but does not reveal the level of interest among employers not involved. Eight recent surveys of employers which asked about child care were identified. Each of these is briefly reviewed here.

2.7.2.1 The Conference Board Survey: December 1979

This survey entitled, "Personnel Practices III: Employee Services, Work Rules," was conducted in the last quarter of 1979 by the Conference Board, a New York City based research organization supported by business and industry. The survey sample included 6,000 companies in 5 industrial classes including manufacturing, banking, retail, insurance and utilities. The sample was grouped by employer size into four classes. 2,248 responded for an overall response rate of 37 percent. A similar but different questionnaire was developed for each class. The questionnaires were large. Only one question was asked concerning child care assistance. 1,027 responses were reported in answer to this question. The principal findings were:

- o 27 of 1,027 respondents or 2.6 percent are now providing child care assistance of some kind
- o 14 or 1.4 percent provide individual child care counseling
- o 13 or 1.3 percent provide referrals to community child care facilities
- o 1 or 0.2 percent have company operated day care facilities.

2.7.2.2 Catalyst Career and Family Center Survey: October 1980

Catalyst is a nonprofit organization based in New York City which is concerned with working women. In the fall of 1980 it conducted two national surveys, one of two career families and the other of corporations. The corporate survey sampled the CEO's of Fortune 1300 corporations. 374 responded for a 29 percent response rate. There were 23 questions asked about corporate practices affecting two career families. One question dealt specifically with child care. The question asked whether corporations now have or favor 11 different policies and benefits. The findings are summarized and presented in Table 2.7.1 in the order in which the practices are in use.

TABLE 2.7.1: Ranked Responses of Corporate Child Care Practices and Attitudes from the Catalyst Survey, 1980

<u>PRACTICE</u>	<u>PERCENT</u>		
	<u>HAVE</u>	<u>FAVOR</u>	<u>DIFFERENCE</u>
Maternity Benefits	96	94	(2)
Leave without Pay	65	69	4
Flextime	37	73	36
Sick Leave for Children's Illness	29	44	15
Financial Support for Community Child Care Facilities	19	54	35
Adoption Benefits	10	42	32
Paternity Benefits	9	26	17
Flexible Benefits	8	62	54
Flexible Workplace	8	35	27
On-site Child Care	1	20	19
Subsidies for Child Care	1	5	8

NOTE: Practice titles have been modified from those reported and not all practices questioned are represented.

2.7.2.3 The General Mills Survey: December 1980

The study Families at Work: Strengths and Strains was the fourth in a series of reports conducted for General Mills. This study was done by Louis Harris and Associates, Inc. The survey included among other respondents 1,503 adult family members, 104 human resource executives from Fortune 1300 companies and 56 labor leaders. The survey used phone interviews. Overall there were 64 questions nine of which asked about corporate benefits and policies which help parents balance work and family. Some of the major findings are summarized here and in Table 2.7.2.

- o Family members resist single solutions for balancing family and work responsibilities. Those practices that are helpful to one family may not be helpful to another.
- o Leave for family and children and increased maternity leave were the benefits families felt would be most helpful.
- o Human resource executives and labor leaders generally agreed with family assessments of the helpfulness of various benefits and policies.
- o The executives and labor leaders overestimated the helpfulness of child care at the place of work when compared to the attitude of family members, 77 percent as compared to 43 percent.
- o Part-time work with fulltime benefits had the greatest breadth of support among family members when asked what would be most helpful in lieu of pay raises.

TABLE 2.7.2: Ranked Responses of Selected Corporate Child Care Practices and Interest from the General Mills Survey, 1980

<u>PRACTICE</u>	<u>PERCENT</u>	
	<u>HAVE</u>	<u>WOULD CONSIDER</u>
More than 6 weeks paid maternity leave	51	30
Leave for family problems	49	32
Shorter workweek with less pay	34	51
Four day full workweek	28	50
Flexplace	28	37
Flextime - workday	28	60
Part-time work with fulltime benefits	27	50
Paid paternity leave	23	57
Flextime - workweek	20	66
Work site child care	14	67
Job sharing	12	70
Flexible benefits	11	70

NOTE: Practice titles are modified from those reported and not all practice questions are represented. Responses are by 104 human resource executives.

2.7.2.4 Santa Cruz County Survey: June 1981

The Employer Sponsored Child Care Task Force was organized to conduct an employer survey in Santa Cruz County, California. The Task Force reported to the County Children's Commission which is an advisory body to the County Board of Supervisors. The survey population consisted of employers in the county with more than 20 employees or 453 companies. Eighty-three firms were selected randomly for the sample. Forty-six responded for a response rate of 57 percent. The survey had 12 questions asking about the characteristics of the employers, their knowledge and provision of child care services, and the perceived need for and receptiveness to supporting child care. Twenty-five follow-up on-site interviews were also conducted. Over half the respondents employed less than 100 people. The major findings are summarized.

- o The majority of employers felt child care concerns "very rarely" contributed to the following employee problems: absenteeism, 50 percent; tardiness, 66 percent; and turnover, 74 percent. In addition roughly 70 percent felt child care benefits would not reduce these three problems.
- o On average, 60 percent of the respondents felt child care benefits would not improve the company's ability to improve morale, recruit new employees or help the corporate image.
- o Cost was identified by 53 percent as the obstacle which prohibits starting new programs the most. Insurance and liability was ranked second by 25 percent of the respondents. The insurance and liability issues cited included shared legal responsibility

should a parent or child become injured, and referring parents to a substandard program. Differential benefits and facility regulations were not seen as particularly prohibitive.

- o Approximately two-thirds or more of the employers were not familiar with various operating procedures identified such as funding sources, tax considerations and program regulations.
- o Roughly 50 percent requested additional information in each of the six subjects identified.
- o Eight companies or 17 percent said they would consider providing supporting child care benefits in the future.

2.7.2.5 Administrative Management Society Survey (AMS): August 1981

The AMS regularly conducts salary and fringe benefit surveys. A survey was conducted in August 1981 concerning "extra" fringes now in use. (Thomas, 1981) 500 administrative managers from different companies were included in the sample. 329 responded for a 69 percent response rate. Twenty questions were asked about "extra" fringes in four general areas. There were three questions about child care. The principal findings are summarized.

- o Three of the 329 respondents or 0.9 percent are now supporting day care centers for employees
- o Two of the center program's are on-site
- o None of the three employers pay all the costs of the center program, two pay part of the cost and the other is self-supporting
- o One employer has plans to start an off-site center for employees.

2.7.2.6 Parents in the Workplace Survey: November 1981

Parents in The Workplace is a division of Toys 'n Things Training and Resource Center in St. Paul, Minnesota. They conducted a survey of 5,000 Minnesota businesses in November 1981. 493 responses were received for a response rate of 10 percent. The questionnaire was directed to human resource personnel. Ten questions were asked about current child care benefits, the effect of child care on employee problems and the employer's knowledge of child care. The principal findings are summarized.

- o In each instance more than two-thirds felt employer support for child care would have a positive effect on productivity, absenteeism, recruitment, retention, morale and tardiness.
- o The proportion of respondents with established child care practices and the proportion willing to consider developing those practices are summarized in Table 2.7.3.

TABLE 2.7.3: Ranked Responses of Selected Corporate Child Care Practices and Attitudes from the Parents in The Workplace Survey of Minnesota Businesses, 1980

PRACTICE	PERCENT	
	HAVE	WOULD CONSIDER
Part-time Work	81	14
Maternity Leave	71	17
Sick Leave for Child Illness	58	26
Flextime	54	30
Job Sharing	28	49
Flexible Benefits	16	52
Financial Support for Community Program	15	39
Information and Referral	14	64
Consortiums	7	56
Parent Seminars	6	64
Enrollment Subsidy	3	28
On-site Program	2	35

NOTE: Practice titles have been modified from those reported and not all practices questioned are represented.

2.7.2.7 San Diego Survey: December 1981

This survey was conducted in the summer of 1981 by San Diego State University. The sample included 100 firms in San Diego employing 500 to 9,000 employees. For profit and nonprofit groups were included and governments were excluded. Twenty-two responded for a response rate of 22 percent. The questionnaire was sent to personnel directors. Thirteen questions were asked concerning absenteeism, preferences for involvement in child care services, and knowledge about child care. The major findings are:

- o The average size of the respondents was 1,300 employees.
- o Two-thirds of the employers felt child care was either sometimes or frequently a reason for absenteeism but nearly two-thirds indicated that they would probably not attempt to solve this problem through additional investments.
- o Nearly all chose I&R services as their preferred first step were they to become involved in child care. The second choices were an expansion of leave policies and enrollment subsidies.

2.7.2.8 Montgomery County Maryland Survey: April 1982

Montgomery County recently established a Joint County Council and County Executive Task Force to study child care. A survey was conducted of 272 companies located in the county. Eighty-one responses were received for a response rate of 30 percent. There were 19 questions asking about current

child care practices, and possible future interest in those practices. The major findings are summarized.

- o Most or 72 percent of the employers had less than 300 employees.
- o Very little child care is now being supported by employers but nearly 50 percent expressed an interest in I&R services and 30 percent were interested in consortiums and off-site care. Table 2.7.4 summarizes the current practices and potential interest findings.

TABLE 2.7.4: Ranked Responses of Selected Corporate Child Care Practices and Interest from the Montgomery County Child Care Employer Survey, 1982

<u>PRACTICE</u>	<u>PERCENT</u>	
	<u>HAVE</u>	<u>WOULD CONSIDER</u>
Health Benefits	91	2
Telephone Access	85	10
Paid Maternity	44	11
Flextime	36	17
Sick Leave for Child Illness	36	11
Alternative Work Schedules	33	10
Information and Referral	16	49
Parent Education	12	23
Financial Support for Community Facility	4	15
On-Site Center	1	10
Off-Site Center	1	30
Consortium	0	30
Vendor/Voucher	0	15

NOTE: Practice titles are modified from those reported and not all practice questions are represented.

2.7.2.9 Discussion

A number of observations about these surveys and the major findings are suggested.

- o Response Rates: The response rates for these surveys all but one of which were mail surveys were generally low. They ranged as follows: 10 percent, 22 percent, 30 percent, 37 percent, 39 percent, 57 percent, and 69 percent. The best rate, 69 percent, was from the Administrative Management Society which uses a preselected group of 500 which is periodically surveyed by AMS.

- o Employer Characteristics: Nearly all the surveys obtained some basic descriptive data about the employer such as the number of employees, the proportion of female employees, and the type of employer but none attempted to

relate these characteristics with the employers' practices and interest in child care.

o General Level of Interest: Four of the surveys which presented somewhat similar data are compared on Table 2.7.5. This shows the proportions of respondents reporting which have specific child care practices, those who would consider the practice and the total of the two proportions. In general there seems to be a high level of interest in those practices which help the employee with child care but do not support specific child care services such as maternity leave, sick leave for child illnesses, and flexible benefits. The level of interest for those practices which directly support services falls significantly in all the surveys for most of these practices. The one exception is information and referral services for which there was a high level of interest found in all of the surveys.

o General Differences: There are some significant differences in the overall level of interest found by the surveys. The Minnesota survey found a significantly higher level of interest in nearly all of the child care practices as compared to the Montgomery County, Santa Cruz, and San Diego surveys which showed a lower level of interest.

o On-Site, Off-Site, Consortium and Vendor/Voucher Programs: Most of the surveys showed that these programs are rarely used. Typically less than 3 percent of the respondents reported having them. The total level of interest, those who have the practice plus those who would consider it, increased by 10 to 35 percent depending upon the option and the survey. The lowest level of interest was in an on-site center program. The Minnesota survey reported a significant degree of interest in the consortium approach.

o Financial Support for a Community Center: This approach is slightly more prevalent and the total interest greater than the other day care options. Over half the respondents either had or would consider this approach in two of the surveys.

o Parent Education: Roughly between 5 and 15 percent of the employers seem to be offering this service. The total level of interest is unclear but was reported as high as 35 to 70 percent in two surveys.

o Information and Referral: The total level of interest in this service is noticeably higher than any of the other child care service options. This finding is supported by all of the surveys in which the question was asked.

o Flexible Benefits: Flexible benefits consistently showed the widest difference among all options between those who had the practice and those who would consider it. In three of the surveys less than 15 percent had flexible benefit plans but more than two-thirds would consider one.

o Cost: Cost was identified as the most significant obstacle to employer involvement by 54 percent of the respondents in the Santa Cruz survey.

o Knowledge and Desire for Information: The Santa Cruz survey found a low level of familiarity with the issues but a high level of interest. Fifty percent wanted more information.

Table 2.7.5: Comparison of Selected Employer Child Care Practices and Interest as Reported in Four Surveys

PRACTICE	HAVE (%)				WOULD CONSIDER (%)				HAVE PLUS WOULD CONSIDER (%)			
	CC	GM	PW	MC	CC	GM	PW	MC	CC	GM	PW	MC
Maternity Leave	96	51	71	44	(02)	30	17	11	96	81	88	55
Flextime	37	28	54	36	36	60	30	17	73	88	84	53
Sick Leave for Child Illness	29	49	58	36	15	32	26	11	44	81	84	47
Financial Support for Community Center	19	--	15	4	35	--	39	15	54	--	54	19
Information & Referral	--	--	14	16	--	--	64	49	--	--	78	65
Flexible Benefits	8	11	16	--	54	70	52	--	62	81	68	--
Parent Education	--	--	6	12	--	--	64	23	--	--	70	35
Vendor/Voucher	1	--	3	15	8	--	28	15	9	--	31	30
On-Site Center	1	14	2	1	19	67	35	10	20	81	37	11
Consortium	--	--	7	0	--	--	56	30	--	--	63	30

NOTES:

- (CC): Catalyst Career and Family Center Survey, 1980. (GM): General Mills Survey, 1980. (PW): Parents in the Workplace Survey, 1980. (MC): Montgomery County Maryland Survey, 1982.
- Practice Titles have been modified and not all practices reported are represented.
- Respondents and questions are different for each survey so that responses are not fully comparable.

o Impact of Employer Involvement: Both the Santa Cruz and San Diego surveys show that half to three quarters of the employers do not believe that child care services would have enough of an impact on the problems of absenteeism, turnover and recruitment to warrant an investment in those services. This finding is significantly contradicted by the Minnesota survey where over two-thirds felt child care services would have a positive effect on these problems and over 40 percent felt it would improve profits.

o Employer Size: Most of the surveys sampled larger employers. The Montgomery County and Santa Cruz surveys both found lower levels of use and interest than the others. However, over 54 percent of the Santa Cruz and over 50 percent of the Montgomery County respondents had fewer than 100 employees. This suggests a lower level of involvement and interest among smaller employers.

In summary, it appears that cost probably plays the most significant role in determining the level of employer interest and involvement from the standpoint of not only direct outlays but also from the benefits or rewards associated with the practice as perceived by the employer.

Interest appears to decline rapidly as the options take on the character of direct sponsorship of a specific child care or day care service and as they become more expensive. The practices that seem to have the most potential for further development over the short term are those for which the proportion of employers who would consider them is greatest. In this respect flexible benefit plans and I&R services stand out from the others with a consistently reported potential interest level of more than 50 percent. This also seems to be true to a lesser extent for the consortium, parent education, financial support to community centers and vendor or voucher approaches where the proportion of employers who would consider them runs from 15 to over 50 percent. There is also a need to not only confirm these findings but also to begin to associate potential interest with the characteristics of employers.

2.7.3 Incentives for Promoting Employer Involvement in Child Care

Incentives and other actions stimulating employer involvement can be provided by government, philanthropy and by any of the principal parties directly concerned including employees, unions, the child care providers, corporate managers, and the local community. Demands made by individuals or associations of the principal parties are perhaps the most convincing ways employers can be moved into action. This is largely an informal process. Formalized incentives are better suited to governments and philanthropy. Philanthropy has played a significant role in promoting and supporting child care services but has offered little or no direct incentive specifically designed to stimulate employer involvement generally. However, as of this writing at least one major foundation is considering recommendations to encourage employer involvement in a number of ways.

The Federal Government's role in child care has, as was already discussed, been significant. Most of its direct support has been given to needy individuals or to services designed to help those individuals. However, there are a number of Federal Government tax policies which support child care for the general population and which provide some direct incentive for employer involvement.

The federal tax policies which support child care for the general population include the tax exemption for children, the earned income credit, and the nonrefundable child care tax credit. The tax exemption amounts to a \$1,000 deduction for dependent children. The earned income credit entitles taxpayers with dependent child to a refundable credit up to \$500 if earned income and adjusted gross income are each less than \$10,000. The child care credit entitles taxpayers with employment related child care expenses to a nonrefundable tax credit of \$400 for one child to a maximum of \$800 for two children. These exemptions and credit amounts were applicable in the 1981 tax year. The nonrefundable child care credit has been increased beginning January 1, 1982. The maximum credit for one qualifying child will range from \$720 for taxpayers with incomes \$10,000 and below to \$480 for taxpayers with incomes above \$28,000. Similarly, the maximum credit for two or more children will range from \$960 to \$1,440. A complete description of the 1982 child care credit is presented in Appendix B.

The Dependent Care Assistance Program established by the Economic Recovery Tax Act of 1981 provides a specific incentive for employer involvement in child care. It permits the value of child care assistance provided by an employer under plans meeting IRS requirements to be treated as fringe benefits and as such are tax free to both the employer and employee. Prior to this statute many employers considering child care benefits were reluctant to establish them because of their uncertain tax status. A complete explanation of the program is presented in Appendix B.

Section 188 of the Internal Revenue Act of 1981 was an even more specific attempt to stimulate employer involvement in child care. It was designed to encourage the establishment of employer sponsored day care facilities by permitting a more rapid recognition of the cost of facilities and personal property then was available at the time of enactment. It permitted the amortization of the investment over a 60 month or five year period beginning with the month the property was placed in service. The various tax disadvantages associated with the Section 188 rules, particularly the loss of the investment credit, has made it an ineffective incentive. Section 188 expired on January 1, 1982 and is not expected to be renewed. (Commerce Clearinghouse, 1981)

Although not designed as specific incentives to stimulate employer involvement in child care, there are a number of other relevant tax benefits and considerations. (Commerce Clearinghouse, 1981) Some of these are:

- o With few exceptions the cost of a child care benefit qualify as deductible business expenses.
- o Additional first year depreciation may be applied to qualifying personal property.
- o Partnerships are considered to be a better business form than the private corporation in joint ventures because it permits the pass-through of all of its gross income deductions and annual depreciation to the employer-partner, whereas a corporation does not.
- o The tax-exempt organizational form permits any contribution to qualify as a charitable deduction for the donor. It also permits the center to operate on a tax-free basis.

- o Tax-exempt organizations are not permitted to use enrollment criteria which favor the children of employees in any way.
- o The voluntary employees' beneficiary association is another way for an employer to organize a day care facility on a tax-exempt basis. This form has more tax advantages than the tax-exempt charitable organization.

The Federal Government is engaged in at least two direct funding efforts which are concerned with the issue of employer involvement. The first is a research project referenced earlier which is funded by the Office of Human Development Services and being carried out under contract by the Child Care Information Services, Inc., in Pasadena, California. This is an 18 month project which has four tasks: 1) to identify and survey all employer supported child care projects; 2) to conduct a cost benefit analysis of the various models; 3) to prepare a comprehensive employer needs assessment kit; and 4) to provide technical assistance to new employer supported child care programs. The project represents approximately \$200,000 of effort and should be completed by March 1983. The second is a research and demonstration solicitation recently issued by the same office. This should result in the funding of a number of research and demonstration projects specifically designed to encourage or arrange employer involvement in child care programs.

Although a number of state governments have supported child care services, little has been done to promote employer involvement. A number of states have sponsored conferences and surveys. One effort of particular interest is the Neighborhood Assistance Program run by Pennsylvania's Department of Community Affairs. This program provides state income tax credits to corporations amounting to as much as 50 percent of their contributions made to qualifying recipient organizations. Tax credits of up to 70 percent are available for firms contributing to programs with priority designations. The Community Affairs Department identifies qualified recipients which include child care and other human service programs. Contributions may be in the form of financial help, labor, material and advisory services. The total tax credit is limited to \$250,000 per firm per year. The Department has authority to authorize nearly 9 million in tax credits annually.

This program established in 1967, was the first of its kind. While it has done much to stimulate corporate contributions to needy nonprofit organizations, it has not resulted in the creation or direct support of child care programs designed to serve the employees of the contributor. Nevertheless it is an effective incentive generally and could be used for this purpose so long as the child care program also serves needy individuals. The number of other states with similar business incentive tax plans is unknown.

In Kentucky two bills which would have encouraged employer involvement failed to get out of committee. The first bill would have established a day care center for state employees in Frankfort. The second would have provided tax credits for employers starting centers. These bills were part of the Kentucky Commission on Women's Legislative package. Similar legislative efforts recently failed in Maryland and passed in Connecticut. If signed by the Governor, the Connecticut bill will provide a 25 percent tax credit for employers' costs for starting centers.

In South Carolina the Governor's Advisory Committee on Early Childhood Education recently recommended that tax incentives be explored as a means of encouraging employer involvement in child care. The Governor's Task Force on the Economy similarly recommended that the State should explore ways to provide incentives for businesses and industry to invest in and subsidize child care programs for their employees. In addition the Task Force recommended that the state resist efforts to establish standards for child care programs that go beyond reasonable health and safety measures.

Of all the possibilities for formalized incentives which include the kinds of traditional actions that have been taken by government and foundations in the past for other initiatives such as tax benefits, regulatory relief, direct grant support, loans, loan guarantees, technical assistance, materials development and training, relatively little has been done to specifically and effectively promote employer involvement in child care. There does however, seem to be a considerable amount of interest. The recent tax act together with the erosion of government support for child care generally may have the most significant impact of any actions so far.

Congress is still considering liberalizing the child care credit and providing additional tax incentives to encourage business involvement. On March 25, 1982 Representative Gilman from New York introduced H.R. 5965. This bill would make the child care credit refundable, would provide an additional tax credit of 10 percent to businesses investing in child care property for day care centers, and would provide a 5 percent credit to businesses for the actual construction of a center. The business tax credits would be in addition to existing investment tax credits. In 1981 the Senate passed a measure making the child care tax credit refundable and proposed even larger tax credits for business.

Without further government or philanthropic support and incentives future development will as in the past be primarily left up to the individual organizing efforts of the principal parties. The parties with the resources and organization including business and labor have not yet embraced the concept and are the parties to be persuaded. The child care providers and employee parents are essentially unorganized and without resources. For these reasons they have little means of acting together in a formalized way to encourage or offer incentives to employers. One notable exception is the Kindustry Program sponsored by Kinder-Care, the nation's largest proprietary day care chain which operates over 725 centers in the U.S. and Canada. Kindustry is an offering which permits employees enrolling children in Kinder-Care centers to receive a 10 percent discount in tuition in exchange for the employer's making a 10 percent tuition contribution for each enrolled child and for collecting the balance through payroll withholding. (Kinder-Care, 1981) Other similar but more limited provider sponsored community wide efforts are being undertaken in a number of other places such as Orlando and Pittsburgh.

2.7.4 The Characteristics of Rural Areas and Their Implications for Employer Involvement in Child Care

Studies have shown that urban or rural residence and regional residence have a much lower relationship to a family's child care arrangements than do the factors of race, the number of children in the family, income, marital and employment status of the mother, number of hours of care needed, and

patterns of federal subsidization. Studies have also shown that parents are most affected by cost, location, and convenience of hours when they are making child care arrangements. (CBO, 1978) The fact that most day care centers are located in urban and suburban areas suggests a secondary relationship between rural residence and these other key factors.

The Appalachian region is rural but, by some measures, less rural than the U.S. as a whole. In 1976, the population density for the U.S. was 72 people per square mile as compared to 98.5 people per square mile for the Appalachian region. More significantly, nearly 45 percent of the Appalachian population was dispersed or living in communities of fewer than 1,000 people as compared to only 22 percent for the U.S. (ARC, 1979)

It has been suggested but not shown conclusively that income and race are closely related insofar as they affect child care arrangements. The proportion of households in Appalachia with incomes below the poverty level was 32 percent higher than the U.S. proportion. The proportion of whites was only 5 percent higher than the U.S. proportion. These characteristics suggest a greater need for inexpensive child care and subsidized care.

Family size in the region compares closely to the U.S. figures. There are 2.36 children per family in the U.S. and 2.29 in Appalachia. Slightly fewer families and children live in households headed by women. This suggests that these factors have a similar impact on child care in Appalachia as they do nationally.

The poverty level, dispersed population, and geography of Appalachia are perhaps the most relevant differences in rural characteristics between the region and the U.S. These differences suggest a greater dependence upon home based care and subsidized care. This in turn suggests a greater need for but lower potential for employer involvement in the region and a need for interested employers to consider alternatives to work-site care in the more rural areas.

3.0 STUDY PURPOSES, METHODS AND FINDINGS

3.1 Survey of Employer Supported Programs

3.1.1 Purpose

The purposes of this survey were to:

- o Identify some of the principal characteristics of a sample of employer supported child care programs and the employers supporting these programs;
- o Identify the advantages and disadvantages of the program for the employer;
- o Identify suggestions for promoting further involvement by employers, and
- o Provide an additional base of descriptive information to help with the design of the survey of Appalachian employers.

This survey was intended for descriptive purposes only. It does not attempt to identify all known programs or a representative sample of programs of any particular type. It does not attempt to draw conclusions which can be generalized or are representative of a larger group than those surveyed.

3.1.2 Method

Employer support for child care programs is classified for the purposes of this study. The three basic classes are described in the Background section of this report. The sample was drawn from the first two of these three classes of employer support. They are:

- o Direct Sponsorship: Where the employer directly operates or assumes general responsibility for the program.
- o Financial Support: Where the employer does not sponsor the program but provides financial support in the form of in-kind goods or services, enrollment subsidies, loans, loan guarantees, or cash contributions.
- o Personnel Policy Support: Where the employer adopts personnel policies which have a favorable effect on employees with children. Policies such as maternity leave, flexible work schedules, and job sharing, are included in this class.

If more than one employer sponsors or supports the same child care program, the support is further classified as consortium support.

3.1.2.1 Survey Sample

1. Definitions: The survey sample includes employer supported child care programs drawn from three of the following four types of programs:

- o Information and Referral Programs
- o Day Care Centers
- o Family Day Care Programs
- o Partial Programs

This classification was described in the Background section of this report. The three classes from which the sample is drawn are:

- o Information and Referral: Programs which provide parents with information about child care or helps them locate appropriate child care services or both.
- o Day Care Centers: Programs where child care is provided for a group of children away from their homes in an established setting.
- o Family Day Care: Programs where child care is provided in a home setting.

2. Identification: The sample was drawn from a number of sources containing published lists of programs and from programs identified by persons contacted during the course of the study including ARC representatives, the study panel, and day care providers. Some of the published lists are contained in the following references:

- o Perry, 1978.
- o U.S. Department of Labor, 1981.

3. Selection: The following criteria or considerations were used to select the sample from those programs identified:

- o Programs sponsored exclusively by educational institutions were excluded because they often serve students rather than employees. (Perry, 1978).
- o Partial programs were excluded because of the wide variety and unique character of many of these programs.
- o Programs which are not in operation were excluded.
- o Programs offering center based full day child care services were to be the principal type selected.
- o Examples of information and referral, and family day care programs were to be included.
- o Examples of consortium and enrollment subsidy programs were to be included.
- o Programs distributed within the range of each of the following characteristics were to be included: employer location, center location, community size, age of program, employer size and industrial type, including manufacturing, services, retail or wholesale, and public.

- o Examples of some programs supported by Appalachian employers were to be included.
- o A total of 25 programs were to be selected.

4. Results: Twenty-five programs were selected and surveyed. The list of programs surveyed is presented in Appendix B and the summary and detail of the principal characteristics of each of the programs are shown in Table 3.1.1 and Table 3.2.2 with the presentation of findings from the survey. All program selection criteria were met except that there are no examples of programs supported by retail or wholesale employers, there are no examples of family day care programs and there is only one example of an employer with less than 500 employees.

3.1.2.2 Survey Questionnaire

The questionnaire included questions in each of the following areas:

1. Program Characteristics

- o Director Name and Title
- o Program Address and Phone
- o Model Type
- o Enrollment
- o Enrollment Preferences
- o Schedule
- o Services
- o Staffing
- o Budget
- o Fees
- o Operating Problems

2. Employer Characteristics

- o Industrial Sector
- o Number of Employees
- o Percent Women
- o Status in Community
- o Cost to Employer
- o Reasons for Involvement

3. Program History

- o Start Date
- o Organizers
- o Changes

4. Repondent Observations

- o Suggestions for promoting employer involvement
- o Advantages to employer
- o Disadvantages to employer

A copy of the questionnaire is presented in Appendix B.

3.1.2.3 Procedure

The survey was completed using phone interviews. The Project Director and Research Associate conducted the interviews. The respondent in nearly all cases was the Director of the program. In some instances associate staff responded in place of the director. In a number of cases employers were contacted for information not known by the program director. The interviews took approximately 30 to 45 minutes. Each respondent was told the estimated time required for the interview and asked if an appointment could be made if the time was inconvenient. Many asked for appointments. No program refused an interview, none were overly secretive, and nearly all clearly wanted to be helpful.

A single piece of paper or data sheet was used to guide the interviewers. Notes were taken during the course of the interview and were later entered on the survey questionnaire. Interviewers did not insist on following the order of the questions, kept to a maximum time of approximately 45 minutes, and did not demand that information be researched when answers were not immediately known. As a result the data gathered is not complete or fully comparable between programs, but is consistent with the descriptive purpose of this survey.

3.1.3 Findings

The detail and summary of the principal characteristics of each of the employer supported programs are shown in Table 3.1.1 presented at the end of this section and in Table 3.1.2 presented in Appendix A. Highlights of these and other characteristics are discussed.

1. Community Size: Sixty percent of the programs surveyed were located in urban areas. It was difficult to find many examples of rural programs. Of the five rural programs surveyed only 2 were located outside Standard Metropolitan Statistical Areas (SMSA's). It was learned during the course of the study that one of the rural programs closed in April, 1982 due to financial problems.

2. Employer Support: Sixty percent of the programs were sponsored directly and 40 percent were not operated by but received financial support from employers. Of the 15 programs sponsored directly, 11 were sponsored by hospitals and 4 by manufacturers. Of the 12 hospital programs only 1 did not sponsor the program directly. This hospital is just beginning a relationship with the Kindustry program run by Kinder-Care, a proprietary day care chain. Since direct sponsorship implies a greater commitment it suggests that hospitals tend to sponsor rather than indirectly support programs and are more likely to sponsor programs than are other types of employers.

Five consortium programs were surveyed. Two were sponsored directly and three received financial support from groups of employers. All five were day care center programs. The number of employers in each consortium are:

Program # 2.....12
Program # 9..... 2
Program #22.....17

Program #23..... 5
Program #24.....80

The consortium programs are primarily located in the larger metropolitan areas. Program #2 has three sites. One is located in a rural area, one in a small community and one in an urban area. Ten of the 12 employers involved in Program #2 are located in Baltimore. Program #9 is located in a medium size town of 30,000 but only involves 2 employers.

3. Employer Type: Of the 25 programs surveyed, 9 were supported by manufacturers, 12 by hospitals, 3 by other service organizations, and 1 by a state government. There were no retail or wholesale employers in the sample. The 3 other service organizations were an insurance company, a consortium of radio and TV broadcasters, and a philanthropic foundation.

4. Program Type: Twenty-four of the programs surveyed are day care centers. These will be described in the presentation of findings of the other program characteristics.

The two information and referral (I&R) programs surveyed are operated in combination with other child care programs. Corning sponsors one I&R program to which it contributes \$4,000 annually. The Corning I&R program operates in conjunction with its day care center. (ARC, 1982) The Ford Foundation I&R program operates together with its voucher program. (Ford Foundation, 1981)

The Ford Foundation supports any community I&R service used by its employees through a vouchering arrangement. Eligible employees are able to receive \$25 per consultation up to four consultations per year for services received from day care advisory programs. The Foundation began its I&R program by sponsoring or operating it within its personnel office. It found this difficult to maintain and changed the program to the reimbursement arrangement described above.

The Ford Foundation's voucher program or "Child Care Assistance Policy" was the only example of an enrollment subsidy program surveyed. The Foundation provides reimbursement to employees meeting eligibility requirements for regular day care. The program pays at a rate of 50 percent of the actual billed costs or at the level specified on a schedule of allowances, whichever is less. The maximum reimbursement under the program is \$50 per week per child for infant care. The Foundation had initially considered starting a centralized on-site day care center but found "compelling" reasons for not doing so:

- o Few of the many commuting employees wanted to bring their children into the city.
- o A high quality center was judged to be expensive and less cost beneficial than the voucher program.
- o A center would be less equitable because the infant and school age groups would probably not have been served.
- o An on-site center would isolate children from their home communities.

- o Parents would not be free to choose the services most appropriate for them.

5. Center Location: Of the 24 day care center programs surveyed, 16 were located at and and 8 were located near the worksite. Nearly all or 13 of the 16 on-site centers were operated by the employer. Space was the major contribution made by the employer for each of the three on-site centers not operated by the employer. In one case the employer allowed an established day care center to move into space which became available at the plant. The employer, Lucky Star Industries rennovated the space and has so far provided the facility rent free. Similarly the New York State government program in Albany made space available, rennovated it and allows the service to operate rent free. The State also pays the director's salary. Union Mutual Insurance Company in Portland, Maine built a day care center on its campus and allows Kinder-Care to operate independently under a lease agreement. In this case the employer claims its contribution is miminal and that it is earning an acceptable rate of return on its start up and construction investment through its lease agreement.

Of the five consortium centers all but one operates in a facility near the worksites of each of the participating employers. The Baltimore Regional Amalgamated Clothing and Textile Workers Union operates three centers from Health and Welfare Fund contributions made by employers who are signatories to the union contract. The Baltimore facility is centrally located and serves ten employers. The Verona, Virginia facility is within one mile and the Chambersburg, Pennsylvania center is within two blocks of its participating employers. The Louise Child Care Center-Renaissance II is located in downtown Pittsburgh nearby the offices of the twelve companies in the consortium. The Broadcasters Child Development Center in the District of Columbia is located at the top of the Wisconsin Avenue hill near where the five participating stations have their towers and offices. Childrens Village in Philadelphia is located in the garment district and serves the garment workers and other employers of organizations within an eight to ten block radius of the center. The Ankora Ramsey Day Care Center in Coon Rapids, Minneapolis is the only consortium whose child care center is located on the premises of one of the employers. In this case there are only two employers in the consortium, one of which is a hospital which provides space for the day care center.

Ten of the 12 hospital day care centers are located in the hospital itself or on the hospital grounds. Of the two that do not operate in the hospital one is located in a rennovated house one block from the hospital and the other is a Kindustry program which uses five Kinder-Care Centers in the area.

6. Number Enrolled: The number of children enrolled in the 24 day care centers surveyed ranges from 20 to 376 for an average enrollment of 99 children. The figures reported refer to actual numbers of children presently being served and not to licensed capacity. Where more than one shift was served, as was often the case in the hospital centers, the enrollments from each shift are added together. In 1980 there were 19 staff participating in the Ford Foundation's child care assistance program. The number of children served was not reported.

7. Ages of Children: Children were classified by age groups for the purposes of this survey as follows:

Infants:	less than 2 years
Toddlers:	2-2.9 years
Perschool:	3-4.9 years
School Age:	5 years or older

All 25 programs serve toddlers and all but one serve preschoolers. Nineteen programs serve infants as compared to 11 serving school age children. Eighty-three percent of the hospital centers served infants as compared to 76 percent for all programs.

8. Annual Budgets: Eight of the 25 programs either did not know or chose not to report their annual budgets. Six of the eight not reporting are hospitals each of whom did not know their total budget. The other two programs are operated by proprietary for profit services who chose not to reveal their total costs.

The center budgets reported range in size from \$75,000 to \$1,500,000 with an average of \$306,000 per year. The budgeted amount per child ranges from \$1,430 to \$3,990 with an average of \$2,840 per child per year.

The Ford Foundation Child Care Assistance Program reported a total corporate expenditure of \$8,462 or \$445 per beneficiary in 1980.

The budgets for the 16 centers who reported are not likely to be meaningful when compared because the survey did not attempt to control for either the mix of children, or the completeness and the consistency of these figures.

It should be recognized that costs, budgets and fees are different. Costs represent the total dollar value of the operation. Many centers do not formally recognize donated goods and services, and do not account for costs on an accrual basis. No attempt was made in this survey to try to identify the true comparable costs of each center. Not all centers use budgets and those that do are often constructed on a cash basis and do not represent the true costs of the period. Fees are those amounts charged for the services. In subsidized centers fees are usually set at levels sufficient to cover the operating cash requirement less the anticipated operating subsidy. In proprietary programs fees are usually set at levels which will recover costs and possibly some margin of profit. In either case the market will often dictate the ceiling for fees which then forces a reduction in costs or an increase in subsidy or both.

9. Fees: All 24 day care center programs reported fees. Weekly fees for the toddler age group, ages 2 to 3 years, ranged from \$15 to \$70 with an average of \$38 and a median fee of \$34. The programs use a number of factors to establish and adjust fees. Some of these are: the age of the child, hardship discounts, discounts when more than one child is enrolled, discounts for employees or fees set below cost, premiums or higher fees for nonemployees, the period of time for which the fee is set, and extra charges for added services such as meals, trips and health care.

Most of the centers charge on a weekly basis. Of those that do not there are a few examples of monthly fees, one example of a two week fee, one hourly fee, and the remainder charge on a daily basis.

It was surprising to find that nearly half the centers charge a single rate without regard to the age of the child. Nearly half provide discounts for parents enrolling more than one child. There are only a few examples of programs which discount fees based upon income and only two examples of programs which charge higher fees for parents who are not employees. Nearly all the programs surveyed charge fees to employees below the total amount it costs to run the program.

10. Enrollment Policy: Enrollment policies used by the programs were categorized into three basic classes: 1) Closed: those programs limited to children of employees only; 2) Priority: those programs which give employees some priority for enrollment and 3) Open: programs which are open to the community. Of the 25 programs surveyed 15 or 60 percent are closed, 7 or 28 percent are open, and 3 or 12 percent have enrollment priorities.

Eleven of the 12 hospital programs have closed enrollment policies. The other hospital gives priority to its employees and expects that within a year it will be serving hospital employees only.

Of the 15 programs sponsored or operated directly by employers 12 are closed, two give employees priority and only one has an open enrollment policy.

11. Employer Size: All the programs surveyed but one are supported by individual employers or consortia representing more than 500 employees. The Ford Foundation which employs approximately 400 people is the only example of an employer with less than 500 employees. There may be individual employers participating in one of the 5 consortium programs surveyed which have less than 500 employees although this was not confirmed by the survey. Collectively each of the consortia represents a total base of more than 500 employees.

The findings from this survey suggest that larger employers are more likely than smaller employers to support child care programs and that smaller employers are more likely to support I&R, enrollment subsidy or consortia programs than to individually support a day care center.

12. Program Age: The age of the programs is fairly evenly distributed in the sample. Six programs have operated two years or less while eight are in their 10th year or more. The newest program will begin operations in May 1982 and the oldest is in its 27th year.

13. Organizer: Of the 25 programs surveyed, management initiated 14, the employees or union six, combinations of staff and management two, and child care providers three. In some cases it was difficult to establish the principal organizer. Management often was responding to a collection of requests or problems cited by individual employees rather than an organized request or demand made by a group of employees.

Of the three programs initiated by providers, all three are supported financially but are not operated by the employer. In one case a regular annual contribution is made to a day care center by a local employer; another is a new Kindustry program and the last involves consortium support for a new day care center operated by an established child care agency.

Nine of the 12 hospital programs were initiated by management, one by a combination of employees and management, one by the recipients, and one by a child care provider.

Twelve of the 15 programs sponsored or operated by the employer were started by management.

14. Degree of Subsidy: By definition all the programs surveyed are either operated by or financially supported by employers. Twenty of the 24 day care center programs passed on at least some of the employer contribution in the form of fees set lower than the total cost of the program. There are, however, four centers which attempt to recover total costs.

- o Lucky Star Industries renovated space in a facility on the grounds of its Nettleton, Mississippi plant for a local proprietary child care program. The company plans to recover as much of its costs as possible through a lease agreement with the operator.
- o The Union Mutual Insurance Company entered into a similar arrangement with a proprietary operator, Living and Learning Centers Inc., which was acquired by Kinder-Care.
- o The Kindustry Program in Chattanooga, Tennessee has only one employer involved. The Kindustry program does provide a 20 percent discount to employees who enroll their children but presumably Kindustry recovers its costs of operation plus a rate of return on investment.
- o The Broadcasters Child Development Program in Washington, D.C. was supported by gifts, and loans from five broadcasting companies and the national organization and D.C. Chapter of the National Academy of Television Arts and Sciences. Some of the money was restricted for capitalization, organization expense and for first year operations. The center's fees are the highest of any of the programs surveyed and are set at levels which should recover operating costs and some of the loan obligations.

Since the programs' costs and revenue are not known it is difficult to compare the degree to which individual programs are subsidized. In general it appears that the sponsored programs or programs operated by the employer are more heavily subsidized than those which receive financial support only. All of the four programs mentioned above receive financial support only. It also appears that the hospital programs, all but one of which are sponsored, provide a greater degree of subsidy than the other programs. The heavily subsidized programs and the programs with the lowest fees appear to have long waiting lists and little problem with under-enrollment.

15. Operating Problems: The most frequently cited problem was the high cost of operating a day care center or the corollary problem of keeping fees at a marketable level. The inability to meet the demand for service was often cited by those programs receiving the largest degree of employer subsidy. All programs receiving federal support identified the federal budget cutbacks as a problem. Some identified finding qualified staff and staff turnover as a problem. A few programs reported space or facilities as a problem. A few

programs are having difficulty keeping enrollment up. One program which had limited employer support announced it would be closing for financial reasons. Cost and its related concerns was the predominant problem mentioned.

16. Advantages and Disadvantages: Most but not all programs surveyed were asked to identify advantages or disadvantages for the employer who supports their child care program. All but one of the programs responding said it improved the employer's ability to recruit. Reduced absenteeism, improved community relations, and improved employee morale was identified as an advantage by two-thirds of those responding. Half claimed it reduced employee turnover. Only two programs claimed to have documented or quantified the advantages of their program. The Intermedics program in Freeport, Texas reported reduced absenteeism and reduced turnover based on an employer study. PCA International in Mathews, North Carolina claims it saves more than \$30,000 in reduced employee turnover and has generated more than \$50,000 in publicity in 1980.

Over half of those responding identified cost as the major problem or disadvantage for the employer. Other disadvantages were not mentioned with any significant frequency.

TABLE 3.1.1: Summary of the Principal Characteristics of the Employer Supported Child Care Programs Surveyed

	<u>Number</u>	<u>Percent</u>
<u>COMMUNITY SIZE</u>		
Rural (0-9,999)	5	20
Small (10,000-24,999)	3	12
Medium (25,000-49,999)	2	8
Urban (50,000+)	15	60
TOTAL	25	100
<u>EMPLOYER SUPPORT</u>		
Direct Sponsorship	15	60
Financial Support	10	40
TOTAL	25	100
<u>PROGRAM TYPE</u>		
Information and Referral	2	8
Day Care Center	24	96
Family Day Care	0	
Enrollment Subsidy:		
Vendor	0	
Voucher	1	4
Duplication	(2)	(8)
TOTAL	25	100
<u>CENTER LOCATION</u>		
On-Site	16	64
Near-Site	8	32
NA	1	4
TOTAL	25	100
<u>NUMBER ENROLLED</u>		
0-49	7	29
50-149	12	50
150-250	3	13
250+	2	8
TOTAL	24	100
<u>AGE OF CHILDREN</u>		
Infants	19	76
Toddlers	25	100
Preschoolers	24	96
Schoolage	11	44
<u>WEEKLY TODDLER FEE</u>		
0-19	2	8
20-39	13	54
40-59	5	21
60+	4	17
TOTAL	24	100

TABLE 3.1.1: Summary of the Principal Characteristics of the Employer Supported Child Care Programs Surveyed (cont'd)

	<u>Number</u>	<u>Percent</u>
<u>ENROLLMENT POLICY</u>		
Closed	15	60
Priority	3	12
Open	7	28
TOTAL	<u>25</u>	<u>100</u>
<u>EMPLOYER TYPE</u>		
Manufacturing	9	36
Service:		
Hospital	12	48
Other	3	12
Retail or Wholesale	0	0
Public Sector	1	4
TOTAL	<u>25</u>	<u>100</u>
<u>EMPLOYER SIZE</u>		
Small (0-49)	0	0
Moderate (50-199)	0	0
Medium (200-499)	1	4
Large (500+)	24	96
TOTAL	<u>25</u>	<u>100</u>
<u>PROGRAM AGE</u>		
0-2	6	24
3-5	7	28
6-9	4	16
10+	8	32
TOTAL	<u>25</u>	<u>100</u>
<u>ORGANIZER</u>		
Management	14	56
Staff or Union	6	24
Management and Staff	2	8
Provider	3	12
TOTAL	<u>25</u>	<u>100</u>

3.2 Survey of Appalachian Child Care Programs

3.2.1 Purpose

The primary purpose for surveying child care programs in the Appalachian Region was to establish a descriptive context for this study. This survey was expected to develop insights about the variety of child care currently operating in the region.

A secondary purpose for this survey was to learn from the directors and proprietors of child care programs, what approaches, if any, they have developed and used to gain local employer support for their programs.

The following study questions were identified as guidelines for data collection and analysis:

- o How available is child care in the region?
- o Who supports child care programs?
- o How expensive are the programs for the user?
- o What are the major problems in operating a child care program?
- o What strategies have been used by programs to gain local employer support?

This survey was intended for descriptive purposes only. It does not attempt to draw conclusions which can be generalized beyond the group surveyed.

3.2.2 Method

3.2.2.1 Survey Sample

1. Definition: The survey sample includes licensed day care centers and family day care home programs located within the ARC region.

2. Selection: Time constraints and limited resources required the data collection to be confined to a small number of programs, selected purposefully to provide:

- o A broad geographic distribution across the region
- o A mix of day care centers and family day care homes
- o A mix of for profit, private nonprofit, and publicly supported private nonprofit programs
- o A range of small to large programs.

3. Identification: The programs were selected from list of licensed child care programs from 12 of the 13 Appalachian states. A list of programs was not available from North Carolina in time for the sample selection. A preliminary selection of four to five programs from each of the 12 states was made. Only two programs on the Maryland licensing list were located in the region.

4. Results: Thirty-three programs were selected from the preliminary sample. Programs from all Appalachian states but North Carolina were included.

3.2.2.2 Survey Questionnaire

Questions were asked in each of the following areas:

1. Program Characteristics

- o Director Name and Title
- o Program Address and Phone
- o Program Type
- o Size of Community
- o Enrollment
- o Enrollment Preferences
- o Schedule
- o Services
- o Staffing
- o Budget
- o Fees
- o Operating Problems

2. Program History

- o Start Date
- o Organizers
- o Charges
- o Availability of Child Care

3. Respondent Observations

- o Experience recruiting employer participation
- o Suggestions for encouraging employer involvement

4. Agreement to Participate in Parent Survey

A copy of the questionnaire is presented in Appendix B.

3.2.2.3 Procedure

Phone interviews were conducted with the directors or proprietors of each of the 33 programs in the sample. The same procedure was followed as in the first survey. An outline was used to guide the interview. After the interview the data were recorded on the detailed questionnaire.

The program directors or proprietors were very cooperative and willing to describe the programs in detail. No program in the sample refused an interview. However, the limited effectiveness of the phone interview procedure resulted in some gaps in the quantitative data. Budgets and descriptions of the local community are the two items for which the data are questionable.

3.2.3 Findings

The data were analyzed for each center and summarized in Tables 3.2.1 and 3.2.2 in Appendix A. These program summaries are grouped in four categories and are represented in the survey sample as shown below:

o	for profit centers	8
o	nonprofit centers (private)	8
o	nonprofit centers (public)	13
o	family day care programs	4
	TOTAL	33

This section presents a descriptive summary of the programs surveyed and highlights those findings relevant to the study questions.

1. Overview of Programs Surveyed: The geographic distribution of programs surveyed is presented in Figure 3.2.1 on the following page and Table 3.2.1 in Appendix A. Even though tax status/funding source was one of the criteria used for sample selection, the application of this criterion was not consistent. Several of the State licensing lists did not include this information. Therefore, partly by chance, the public nonprofit programs are proportionally over represented in the survey.

Twenty-six of the 33 programs in the sample are single-site child care centers. The three multi-site programs are organized somewhat differently. One program operates four separate centers in and around a medium sized city. The second program consists of two centers and nine licensed family day care homes and is located in a rural community. This program employs a special staff person who visits the homes weekly, provides assistance to the home-based child care staff in designing appropriate programs for the children and delivers needed materials. The program director feels that this arrangement is very appropriate for a rural area. This structure also provides flexibility for appropriate placement of children. According to this program director, some children need the more relaxed atmosphere of a home environment, while for others, the center provides the level of stimulation and structure to enhance their development. The third program, at the time of the survey, was in the process of opening a second site on the premises of a local hospital.

Although opening and closing hours varied, most programs are open 10-11 hours per day, 5 days per week, all year. All center directors identified numerous activities designed to provide a variety of learning experiences appropriate to the age groups served. Few programs offer kindergarden level curricula. All programs serve at least one full meal and two snacks, and most have the food prepared on the premises. Eleven of the 29 programs provide infant care. A few programs provide transportation services, but generally it is limited to field trips and after school pickup. There is an array of other services offered by some programs from weekly dancing lessons to annual physicals. However, these services are program specific.

The most common characteristic among the four family day care programs is that they are unstructured. However, the proprietors did state that they have at least one other adult helper, either a family member or neighbor. One of these four programs is unusual. The children are picked up in the evening, and spend the night at the proprietor's home. In the morning, they

Figure 3.2.1 - Appalachian Child Care Programs Surveyed



are served breakfast and taken to school. All of the children in this program are referred by the local welfare agency and their care is fully paid for by this agency on fee for service basis.

A basic difference between the center based and family day care service delivery seems to be their approach to child care. The center based programs appeared to place great emphasis on purposeful programming for the children which seemed to be totally lacking in the family based program.

2. Availability of Child Care Services: Most programs reported that recently their enrollment has been decreasing and therefore they are functioning below capacity levels. The median utilization rate is .89 with a range of .40 to 1.27 as shown in Table 3.2.2 in Appendix A. When questioned on the availability of child care programs in their community, most program directors indicated that presently it was adequate because of high unemployment rates and generally depressed economic conditions. However, a few did state that there was a need for infant and after school care. A few program directors noted that because of declining enrollments, they are opening the centers for after school care. Infant care, however, is a more complex and expensive undertaking, and, therefore, it is not a viable business option for most child care programs. One program director also mentioned that in her community there is a lack of child care services for parents who are working the third shift.

Generally there are a sufficient number of child care programs to provide services to all those in need, with the possible exception of infant care and care after normal working hours.

3. Funding and Support for Child Care Programs: Funding sources for child care programs were of primary interest. The assumption was that this would be a differentiating characteristic among the programs. The findings tend to support this assumption.

The child care centers operated as for profit organizations were started by individuals or small groups of individuals as an entrepreneurial venture with private capital (see Table 3.2.3 in Appendix A). Currently, the only source of income for these programs are user fees.

Among the private nonprofit centers, one group closely resembles the for profit centers since their primary financial base is fees paid by users. The others in this category, were started by nonprofit organizations as service projects for the community. The centers in this group, although heavily dependent on user fees, generally have maintained close relationships with the parent organization and therefore have either direct financial support or in-kind contributions that defray the costs of operations.

The third category, the nonprofit centers subsidized by public funding, are dependent on this revenue source for survival. Several of these centers were started as demonstration projects with ARC funds or other grants. Others began as private nonprofit centers and over time became more and more dependent on public support. The former in this category were originally established to serve underprivileged children and tend to be almost totally dependent on public funds. A few of these programs find it very difficult to raise the required local matching share for the Title XX funding. All of these programs reported reduced enrollments because of changes in Title XX eligibility.

The family day care programs are generally viewed as a supplemental source of income by the proprietor, or as a worthwhile avocation for semi-retired persons. These programs are also totally dependent on user fees to meet their operating costs.

Only three programs in the survey sample reported having received direct financial support from local employers. Two of these programs have received periodic contributions from local employers which were usually for special projects. One of these two programs closed in April of this year. The third program director reported that a \$25 weekly child care allowance is paid by a local manufacturer to employees who are ineligible for Title XX subsidy. The same employer annually sponsors a group of children from the center by paying their entrance fees to a local carnival. A fourth program was, at the time of this survey, in the process of opening a satellite site on the premises of a local employer.

4. Fees: It was expected that the fees charged to the users of child care services would correlate closely with the funding source for the program. That is, fees charged by for profit centers would be higher than non-profit centers operating with public funding or with substantial community support. However, fees do not appear to be a differentiating characteristic among the three types of center based programs.

TABLE 3.2.4: Fees Charged Per Week by Type of Appalachian Child Care Program Surveyed

	<u>Median</u>	<u>Range</u>
For Profit	\$ 35	30-48
Nonprofit (private)	\$ 35	30-52
Nonprofit (public)	\$ 35	23-50*
Family day care	\$ 27	25-30

NOTE: (*)Does not include fees charged to parents eligible for sliding scale fees.

The family day care home programs are less expensive than center care. It should be noted, however, that the fees charged by the center-based programs are only approximations, since most centers do not have one standard fee. Several programs reported having sliding scale fees dependent on family income, others provide discounts to parents with more than one child in the program. In addition, such variables as time spent in the center and age of child influence the amount charged for services. Thus the rate charged for child care services is dependent on factors other than the program's funding source.

5. Major problems in Operating a Child Care Center: Funding was identified by 12 of the 29 center directors as the major problem for child care programs (Table 3.2.3, Appendix A). The related problem of under enrollment was identified by another respondent. Directors of nonprofit centers were more

concerned about funding than directors of centers operating for profit. The current level of uncertainty about continuation of public funding for social programming, and generally depressed economic conditions are major causes for this concern.

Although program directors see funding as a major problem for child care programs, there are few concrete examples of activities designed to mitigate this problem. One center director noted that he has been negotiating a merger with another center to reduce administrative costs. A few programs have undertaken some preliminary steps to gain employer or community support. Overall there appears to be a lack of creative initiative in this area.

Another problem identified by three center directors is staffing. This problem is expressed as a recruitment problem that is partially related to the availability of qualified persons and to limited resources for compensation. One respondent described a problem with the reliability and dependability of staff.

Since the data were collected through open-ended questions, the level of agreement among respondents identifying funding as the number one problem for child care programs suggests that the situation is serious.

6. Strategies Used by Programs to Gain Employer and Community Support: Most respondents indicated that they had no experience in this area. Two program directors stated that they are not interested in employer support for their programs. However, it should be noted that this opinion was expressed by proprietors of for profit centers. From their perspective, employer support would reduce their control over the program operations. This reaction was definitely atypical since most respondents felt that employer support for child care is desperately needed at this time. A certain amount of scepticism was noted about the possibility of getting employers involved because of severely depressed economic conditions.

A few program directors are actively pursuing employers to support their programs. They were most willing to share their experiences. The following are brief summaries of actions taken:

- o consulting with an employer to determine needs for child care services
- o disseminating information about their programs specifically developed for this purpose to local employers
- o one center director is in the process of developing promotional materials for public education on the voucher system
- o opening up the center to the public by conducting or sponsoring evening classes on parenting, child development, exercising sessions.
- o one program director, after three years of negotiations, was in the process of opening a satellite site at a local hospital. The agreement between the hospital and the program specifies that the hospital will provide the building, maintenance and security.

In return, children of hospital employees will be given priority placement at this location. This program director also stated that originally she had suggested child care as a fringe benefit to the management. This option was not acted upon.

As noted in a previous section, only one center director reported continuous support from a major employer. During the course of the interview, she also stated that several years ago the program was able to raise over \$200,000 for refurbishing an old building for its use. When asked how was this done, her answer was: "Well--it's a long-term effort." Specifically she identified the following steps that have produced results:

- o Recruit influential persons from the community to serve on the board
- o Develop a high level of visibility for the program through the local media and presentations to various community groups. This should be an on-going, never-ending process.
- o Before seeking financial support develop concrete plans, with cost and time estimates, and expected results.
- o As the plans are implemented, invite the contributors and other in to see what has been done and what still needs doing.

Each respondent was asked how the government could help facilitate employer involvement in child care. The following suggestions were made:

- o Develop and disseminate materials for public and employer education on:
 - benefits of organized child care--"child care is much more than a baby sitting service"
 - the need for child care
 - from the employer's perspective, child care as an investment in the future
 - emphasis on child care as it addresses the needs of the middle class, not only welfare recipients.
- o Develop and disseminate prototypes for child care programs on how to approach and involve local employers and the community.
- o Develop models on how to operate a cost-effective, quality child care program, i.e. staffing patterns and staff utilization, age groupings of children and appropriate size of such groups, program organization models.

Only a few center directors are actively involved in pursuing employer and community support for their programs, but there is a high level of interest in learning about what can be done and how to do it.

3.3 Survey of Parents and Households with Children in Appalachian Child Care Programs

3.3.1 Purpose

The primary purpose of this survey was to develop an understanding about parents and households with children currently enrolled in Appalachian Child Care Programs. A secondary purpose of this survey was to identify the level of parent satisfaction with their current child care providers.

The survey was designed to identify:

- o demographic and economic characteristics of the households of children currently enrolled in Appalachian child care programs
- o reasons why the children are currently enrolled.
- o parent satisfaction with the programs.

This survey was intended for descriptive purposes only and its findings are not necessarily representative of any group beyond those surveyed.

3.3.2 Method

3.3.2.1 Survey Sample

1. Definition: The survey sample consisted of the parents of or the two principal providers for the children enrolled in day care centers in the Appalachian region.

2. Selection: Households of all children enrolled in the participating day care centers were included in the sample. The participating centers were selected from those centers interviewed in the preceding Appalachian Child Care Program Survey. Family day care programs were excluded because of their low enrollment.

3. Identification: Each center director previously interviewed was asked if they were willing to participate in the household survey. Those willing to participate identified the number of children enrolled. The sum of all the number of children enrolled in each participating center less the duplications for siblings constituted the household sample base.

4. Results: Of 25 centers interviewed in the program survey all but one agreed to participate in the household survey.

3.3.2.2 Survey Questionnaire

Questions were asked in each of the following areas:

1. Household

- o number of residents
- o number over age 18
- o number of children by age

- o number of children in day care
 - o annual household income
 - o existence of another household wage earner
2. Primary Respondent and Other Principal Household Wage Earner
- o sex
 - o relationship to child in day care
 - o education
 - o employment
 - o size of employer
 - o income from employment
 - o hours worked
 - o type of employer
3. Opinions of Primary Respondent
- o reasons for choosing day care
 - o other arrangements used
 - o preferred location for day care
 - o amount willing to pay for day care
 - o satisfaction with day care arrangement

A copy of the questionnaire is presented in Appendix B.

3.3.2.3 Procedure

A package was mailed to the directors of each of the 24 centers which had agreed to participate. The package included a cover letter with instructions, questionnaires for each child, a response sheet to identify the number of questionnaires distributed and returned, and a prepaid return envelope. The directors distributed questionnaires and envelopes to each child's parent, collected sealed responses and returned them. The cover letter sent to the center directors is presented in Appendix B.

3.3.3 Findings

The data were analyzed by tabulating frequencies for each item on the questionnaire coded by center to correspond to the codes used in the child care program survey, and aggregating the totals. These data are presented in Tables 3.3.1, 3.3.2, and 3.3.3 in Appendix A. Where appropriate, descriptive statistics are presented in the following discussion of the findings.

1. Survey Response: Completed questionnaires were received from 22 of the 24 programs. The material never reached one of the two non-respondent programs. Responses from the other program were received too late to be included in this study.

The response rate of parents from the 22 centers ranged from 26 percent to 81 percent. A few of the center directors indicated that the response rate was low because of the short turn-around time, inclement weather, and higher than average illness rate among the children. In spite of these less than favorable conditions 451 completed questionnaires were returned.

2. Demographic and economic characteristics of the household of children currently in child care programs: Based on the aggregate data, the average household has 3.5 persons in the family, 1.5 of whom are 18 years or older and employed. The family has 1.8 children, and 1 child is currently in a full time child care program. Thirty percent of the families have annual household incomes of less than \$10,000, while for 35 percent, the annual income is above \$20,000. Forty-six percent of the respondents indicated that the child is supported by another wage earner. However, 49 percent actually reported at least some data about another person who supposedly supports the child.

Based on a more detailed analyses of the data, two basic types of families with children currently in child care programs were identified:

- 1) The two wage earner family with one to two children, one of them in a full-time child care program, with a family income of \$30,000 or above.
- 2) The single parent family with an annual family income of less than \$10,000. (Table 3.3.1, Appendix A)

3. Demographic and economic characteristics of parents of children in day care programs: The majority, 77 percent of respondents were females. Almost all the respondents, 96 percent, indicated that they are the parents of the enrolled children. Forty-nine percent of the respondents identified another principal wage earner who helps support the child. Seventy-six percent of these wage earners are males and 97 percent are parents of the child. Fifty-two percent of the respondents and 62 percent of the other wage earners have at least some college education.

The majority of both groups are employed: 82 percent of respondents and 94 percent of the other wage earners. Over one-third of each group, 38 percent and 35 percent, respectively, are employed by service organizations, while over one-fourth of each group, 27 percent and 28 percent, work for manufacturing firms. Thirty-six and 41 percent are employed by relatively large employers with more than 200 employees. Almost half, 48 percent of the respondents, reported earning less than \$10,000 per year. The salary earned by one-third of the others was above \$20,000 a year.

The parental characteristics range from an unemployed individual with less than a high school education to a college educated professional with annual earnings above \$50,000. (Table 3.3.1, Appendix A)

4. Reasons for using child care services: The respondents were asked to choose one of three reasons as the primary reason for enrolling their child in the program. (Table 3.3.3, Appendix A) Sixty percent of the respondents identified employment as a primary reason. Almost a third, 32 percent, of the respondents said it was better for the child. This response implies a very positive perception that parents have of center-based child care as compared to other child care options available to them. This conclusion is supported by the fact that most of the parents who selected this response are working and most of them had used other child care arrangements in the past. Even though the instrument was not designed to elicit respondent opinions, several parents did include comments with reference to the quality of care and dependability of center care when compared to other child care alternatives.

Five alternatives for child care were listed on the questionnaire. The respondents were instructed to indicate which of these alternatives they had used in the past. Day care centers and non-family members outside the home were the two most commonly used child care arrangements, 58 and 50 percent respectively. On the average a family had previously used 1.9 child care options. The responses ranged from those who had used all five alternatives to none.

The parents were also asked to select their preferred location for the child care program. The results are almost equally divided between near home and near work, 38 and 40 percent. Both locations were acceptable to 22 percent of the respondents.

5. User satisfaction with services: The respondents were asked to assess the current child care program as to: cost, quality of care, building and play area, activities, travel distance and schedule by indicating if they are "very satisfied," "satisfied" or "not satisfied" with each. The data conclusively show that the user satisfaction level is very high. With the exception of cost, all aspects were rated as "very satisfied" by two-thirds of the respondents. Even cost was rated positively by more than half of the respondents. Negative ratings were almost negligible at 3 percent or below. Not one person rated quality of care negatively. It should be noted however that other researchers have suggested that the degree of parental satisfaction expressed is affected by a bias favoring whatever arrangements they have made for their child. (Table 3.3.3, Appendix A)

When asked how much parents would be willing to pay per week for child care services, 40 percent said \$30 or more. Several respondents did not indicate an actual amount, but stated whatever it costs to have quality care. Most of these responses were made by working parents with marginal incomes.

In summary, the findings do not reveal a "typical" household or parent who uses center-based child care. There is some indication that specific programs tend to serve a more homogeneous group, than the extremes represented by this sample.

Regardless of socioeconomic status of the parents and households, most parents use child care programs to allow themselves the freedom to work outside the home. The great majority of parents using the center-based child care are very satisfied with this service.

3.4 Survey of Appalachian Employers

3.4.1 Purpose

The primary purpose of this survey was to assess Appalachian employers' current involvement and potential interest in supporting child care services for their employees and communities. The principal questions addressed by the survey were:

- o What are employers now doing or interested in doing to accommodate their employees' child care needs?

- o Do employers think their support for child care services would affect employee performance?
- o What do employers know and what interest do they have in learning about employer support for child care services?
- o What descriptive characteristics of employers are associated with an interest in child care services?

This survey was intended to be a representative survey of Appalachian employers. It attempts to draw conclusions which can be generalized or are representative of the same type of Appalachian employers included in the survey sample.

3.4.2 Method

3.4.2.1 Survey Population

The population from which the sample was drawn included employers operating within the Appalachian Regional Commission's (ARC) region. The region consists of parts of 12 Appalachian states and all of West Virginia. Boundaries follow county and state lines. A map of the region is presented in Appendix B.

The total size of the survey population is unknown but was estimated to be over 14,000 employers. For statistical purposes it was assumed to be infinite.

3.4.2.2 Survey Sample

1. Definitions: The survey sample was stratified by three basic dimensions: 1) the employer type; 2) the number of employees and 3) the location within the ARC region. Each of these dimensions is defined.

o The Employer Type: Four basic classes of employers were included.

- Manufacturing: Primary metal operations such as steel mills, smelters and foundries were excluded.
- Retail/Wholesale: This included supermarkets, chain stores, department stores, restaurants and similar employers.
- Services: This group included professional services, finance, insurance, real estate, communications, utilities, and personal care services. Domestic services were excluded.
- Public Sector: This group included county government, municipalities, schools, nonprofit groups, associations and similar employers. Public hospitals were included under services. State and federal governments were excluded.

The proportion of employed persons in the ARC region represented by employers in the sample is as follows:

Manufacturing	29.4%
Retail/Wholesale	17.8
Services	19.2
Public Sector	<u>11.4</u>
Total	77.8%

The portion of Appalachian employment excluded from the sample is as follows:

Primary Metals	4.3%
Construction	6.6
Transportation	3.5
Agriculture	3.3
Mining	2.2
Domestic	<u>2.1</u>
Total	22.0%

o Number of Employees: A minimum number of employees was designated for each type of employer as follows:

Manufacturing	100
Retail/Wholesale	50
Services	50
Public Sector	50

o The Location Within the ARC Region: The sample was to be distributed throughout the ARC region by drawing an equal number of employers from each of the 69 Local Development Districts (LDDs) which operate in the region. The LDDs are multicounty organizations engaged in local planning and economic development. The number of LDD's by state whose districts are in part or in whole within the ARC region are shown here.

Alabama	7
Georgia	6
Kentucky	9
Maryland	1
Mississippi	4
New York	3
North Carolina	6
Ohio	3
Pennsylvania	7
South Carolina	1
Tennessee	5
Virginia	6
West Virginia	<u>11</u>
Total	69

2. Sample Identification: A sample of 13 employers was to be drawn from each LDD as follows:

Manufacturing	5	38.4%
Retail/Wholesale	3	23.1
Service	3	23.1
Public Sector	<u>2</u>	<u>15.4</u>
Total	13	100%

The proportion of employers by type was designed to approximate the proportion of employment each employer type represented in the total sample.

The Chief Executive Officer of each LDD was asked to identify 13 employers within their districts in accordance with the number and types designated. With all LDDs responding the maximum size of the sample would be the product of 69 LDDs times 13 employers or 897 employers.

3. Sample Selection: The sample was to be selected from the employers identified by the LDDs in a number sufficient to ensure a margin of error of less than ± 0.02 at a 5 percent level of confidence. It was estimated that this would require a minimum sample size of 350 employers.

4. Sample Results: A total of 49 LDDs or 71 percent of 69 LDDs responded, identifying 613 employers for the sample base. Table 3.4.1 shows the number of LDDs in each state responding as compared to the number of LDDs in each State. A map showing the LDDs responding is presented in Appendix B. Table 3.4.2 shows the number and proportion of employers by type in the sample base and Table 3.4.3 shows the number and proportion of employers by state in the sample base.

TABLE 3.4.1: The Number of Appalachian Local Development Districts and the Number Responding by State

<u>State</u>	<u>Total</u>	<u>LDDs Respondents</u>
Alabama	7	5
Georgia	6	6
Kentucky	9	7
Maryland	1	1
Mississippi	4	4
New York	3	3
North Carolina	6	3
Ohio	3	3
Pennsylvania	7	4
South Carolina	1	1
Tennessee	5	3
Virginia	6	3
West Virginia	<u>11</u>	<u>6</u>
Total	69	49

TABLE 3.4.2: The number and Percent Distribution of Employers
By Type in the Sample Base in the Survey of Appalachian Employers

<u>Employer Type</u>	<u>Employers</u>	
	<u>Number</u>	<u>Percent</u>
ME - Manufacturing	238	38.8
RW - Retail/Wholesale	132	21.5
SE - Service	145	23.7
PS - Public Sector	<u>98</u>	<u>16.0</u>
Total	613	100.0%

TABLE 3.4.3: The Number and Percent Distribution of Employers by State in the
Sample Base in the Survey of Appalachian Employers

<u>State</u>	<u>Employers</u>	
	<u>Number</u>	<u>Percent</u>
Alabama	52	8.5
Georgia	76	12.4
Kentucky	72	11.7
Maryland	14	2.3
Mississippi	44	7.2
New York	39	6.4
North Carolina	42	6.9
Ohio	59	9.6
Pennsylvania	53	8.6
South Carolina	13	2.1
Tennessee	41	6.7
Virginia	36	5.9
West Virginia	<u>72</u>	<u>11.7</u>
Total	613	100.0%

3.4.2.3 Questionnaire

The questionnaire included questions in each of the following areas:

1. Descriptive Information

- o Type of Employer
- o Number of Employees
- o Percent of Female Employees
- o Percent of Employees under age 35
- o Number of Work Shifts
- o Community Status of Employer
- o Size of Community
- o Control of Benefits Decision-making

2. Involvement and Interest in Employer Supported Child Care Options

- o Part Time, Job Sharing, Flextime and Flexplace work arrangements
- o Community Needs Assessments
- o Employee Needs Assessments
- o Information and Referral Services
- o Financial Support for a Child Care Program
- o Flexible Benefits with Child Care as an Option
- o Enrollment Subsidies for Children
- o On-site or Near-site Child Care

3. Effect of Employer Support for Child Care on Employee and Employer Performance

- o Absenteeism or Tardiness
- o Recruitment and Retention
- o Productivity
- o Morale

4. Knowledge of Desire to Learn About Employer Supported Child Care

- o Needs Assessments
- o Employer Options
- o Employer Experiences
- o Tax Considerations
- o Child Care Program Operations and Financing

5. Willingness to Participate in a Conference

6. Comments

A copy of the questionnaire is presented in Appendix B.

3.4.2.4 Procedure

1. LDD Mailing: On January 5, 1982 a letter was sent to the Executive Director of each of the 69 LDD's whose districts are in the ARC region. Each LDD was asked to identify 13 employers within their districts and within the ARC region. The letter also contained an instruction sheet defining each employer type, 13 data sheets, one for each employer, and a prepaid return envelope. The data sheets were coded so that the LDD responding could be identified. A sample of the LDD mailing is presented in Appendix B.

2. LDD Phone Follow-up: On February 10 and 11, 1982, 17 of the 37 LDDs which had not responded to the initial mailing were called and requested to respond. Eight of the 17 responded to the second request. The map presented in Appendix B identifies the LDDs which received a follow-up call and those which responded.

3. Questionnaire Development and First Mailing: The questionnaire was developed using information obtained from a number of sources including

other employer surveys, the Study Advisory Panel, other experts, ARC staff and the preliminary findings from the preceeding surveys.

On March 5, 1982 the survey questionnaire was mailed to the 613 employers included in the sample. The mailing included a cover letter from the Executive Director of the Appalachian Regional Commission, the questionnaire and a prepaid return envelope. The questionnaires were individualized so that the responding employer could easily be identified. A copy of the cover letter and questionnaire are presented in Appendix B.

4. Follow-up: On March 24, 1982 a follow-up mailing was made to the Executive Directors of each of 49 Appalachian LDDs who had identified employers for the sample. This mailing included a memo from the ARC Project Officer for this study, a list of the employers supplied by the LDD indicating those who had responded and those who had not, and a copy of the survey questionnaire. The cover memo requested the LDD to follow-up with those employers in their districts who had not yet responded. The questionnaire supplied was clearly marked "second mailing" and was to be given to those employers who no longer had their original. A copy of the cover memo and second mailing questionnaire is presented in Appendix B.

3.4.3 Findings

1. Response Rate: Of 613 Appalachian employers in the sample base, 288 or 47 percent responded by the closing date of April 30, 1982. All those who responded by the closing date were included in the analysis. It is estimated that 288 responses will produce findings where the margin of error is ± 0.6 at the 5 percent level of confidence.

2. Descriptive Characteristics of Respondents: The four figures which follow present the distribution of employer respondents by type, size, percentage of female employees and by the community status of the employer.

- o Employer Type: Manufacturers and retail/wholesale firms are somewhat underrepresented in comparison to the proportion in the sample base while retail/wholesale and public sector employers are partially overrepresented. (Figure 3.4.1)
- o Size: Size was measured by the number of employees. Employers were placed in one of four size classes. Over one-third employ fewer than 200 people while another third employ over 500. (Figure 3.4.2)
- o Proportion of Female Employees: The workforce of sixty-seven percent of the employers is more than half female. (Figure 3.4.3)
- o Community Status: Respondents were asked to identify themselves as major, medium or small employer's in their local communities. Half identified themselves as major local employers. (Figure 3.4.4)

Other descriptive characteristics of employers identified were the age of employees, number of work shifts, local population and local control over fringe benefits.

Figure 3.4.1 - Sample Distribution by Type of Employer



Figure 3.4.2 - Sample Distribution by Size of Employer

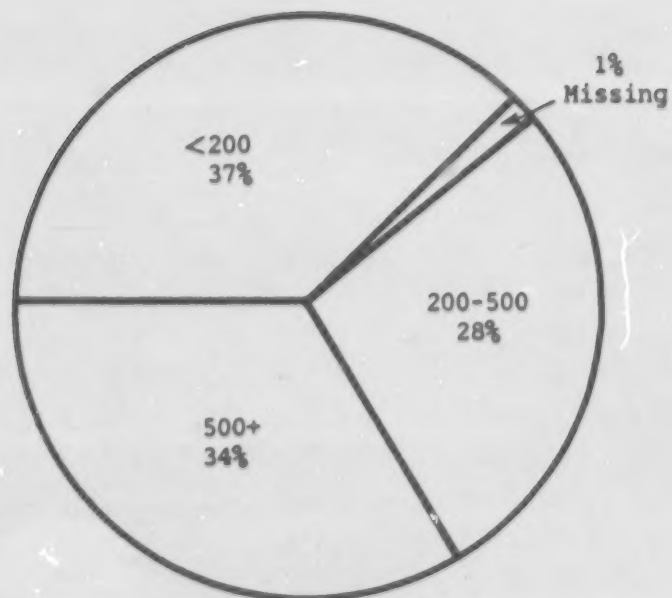


Figure 3.4.3 - Sample Distribution by Percentage of Women Employees

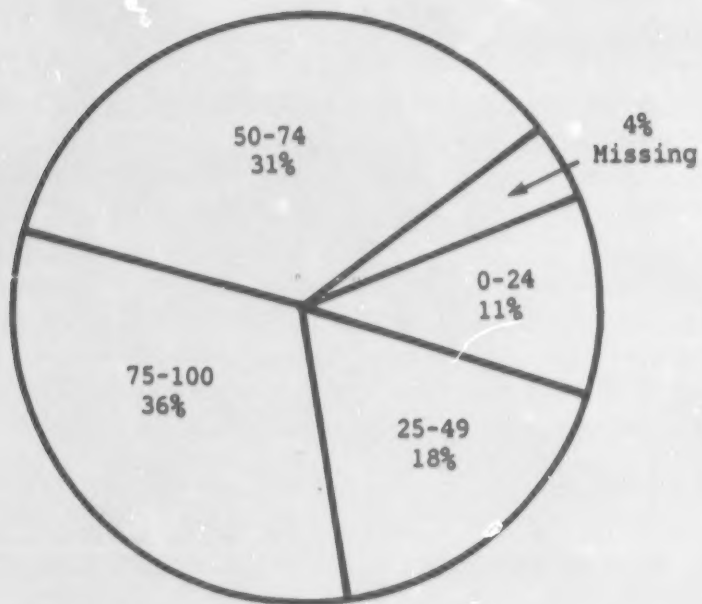
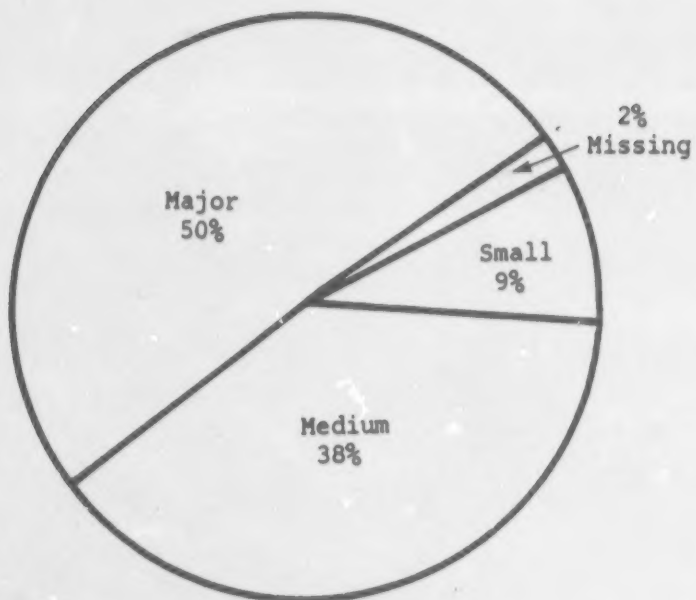


Figure 3.4.4 - Sample Distribution by Community Status of Employer



- o Age of Employees: Employers were asked to identify the proportion of employees under age 35. Half the workforce was under age 35 for 50 percent of the employers.
- o Number of Workshifts: Forty percent of the employers operated one workshift. Forty-two percent had three shifts. Multiple shifts are somewhat overstated since employers were identified as having two or three shifts even though the extra shifts were only for certain classes of employees.
- o Community Size: The size of the local community was fairly evenly distributed among four classes. Twenty-five percent were in communities of less than 10,000 people while 20 percent were in towns of 50,000 or more. Communities of less than 10,000 were not analyzed further so that many of these may not be rural.
- o Local Control of Benefits: Sixty percent of the respondents controlled fringe benefits locally.

3. Employer Involvement and Interest in Child Care: Employers were asked whether they are now supporting, would consider or would not consider supporting eight separate types of child care benefits and related practices. The results are presented in Figure 3.4.5 and Table 3.4.12 in Appendix A. There is not a single class of practices or benefits which over half the employers are now providing. Alternative work schedules such as job sharing, part-time, and flextime are the most common practices in use but only 29 percent of the respondents claim to have adopted any one of them. The least frequently provided benefits are flexible benefit plans, enrollment subsidies and the sponsorship of a child care center for employees. No more than 4 percent are now providing any of these benefits. The benefits and practices for which there is the most interest are information and referral services, and surveys of employer and community need. While the potential interest in the more substantial options such as enrollment subsidies, community program support, flexible benefits and center sponsorship may not be as great, it is not insignificant. It ranges from a low of 22 percent for enrollment subsidies to a high of 33 percent for flexible benefits.

4. Employer Perceptions about the Effect of Child Care Services: Employers were asked whether they thought employee child care assistance would favorably affect absenteeism and tardiness; recruitment and retention; productivity and morale for those employees with preschool children. The findings are presented in Figure 3.4.6 and in Table 3.4.20 in Appendix A. Over half felt it would improve absenteeism and morale and just under half felt it would improve recruitment and productivity.

5. Employer Knowledge and Interest About Child Care: Employers were asked if they know about, wanted to know more about or were not interested in five child care subjects. They were also asked whether they would attend a local conference concerning employee supported child care services. The results are presented in Figure 3.4.7 and in Tables 3.4.16 and 3.4.21 in Appendix A. Approximately two thirds wanted to learn more about employer options, the experiences of other employers, and how child care programs operate. Half or more wanted to learn more about tax benefits, how to determine need, and how programs operate. Half said they would attend a local conference.

Figure 3.4.5 - Status of Employer Involvement and Interest in Child Care

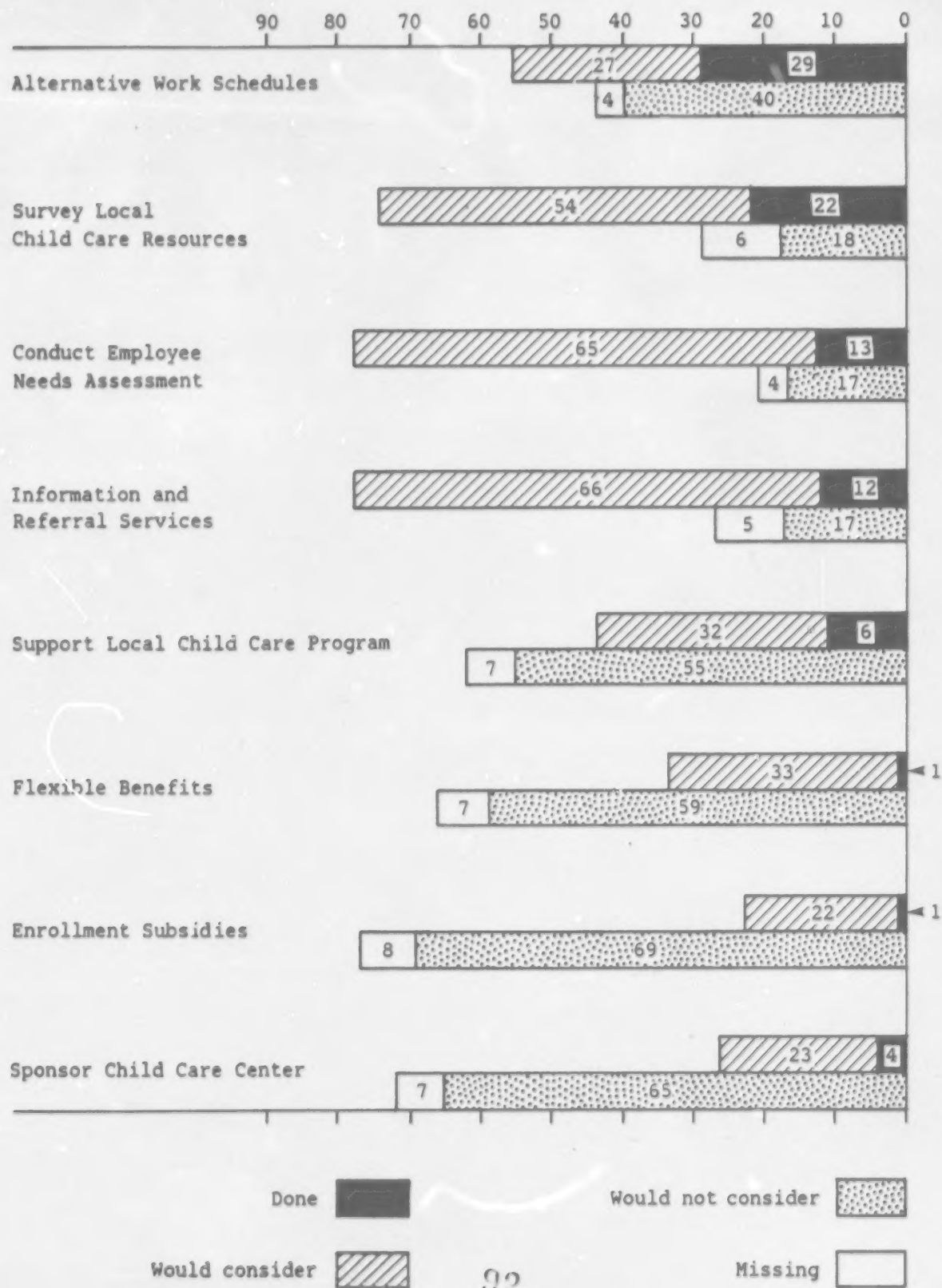


Figure 3.4.6 - Employer Perceptions About Effect of Child Care Services

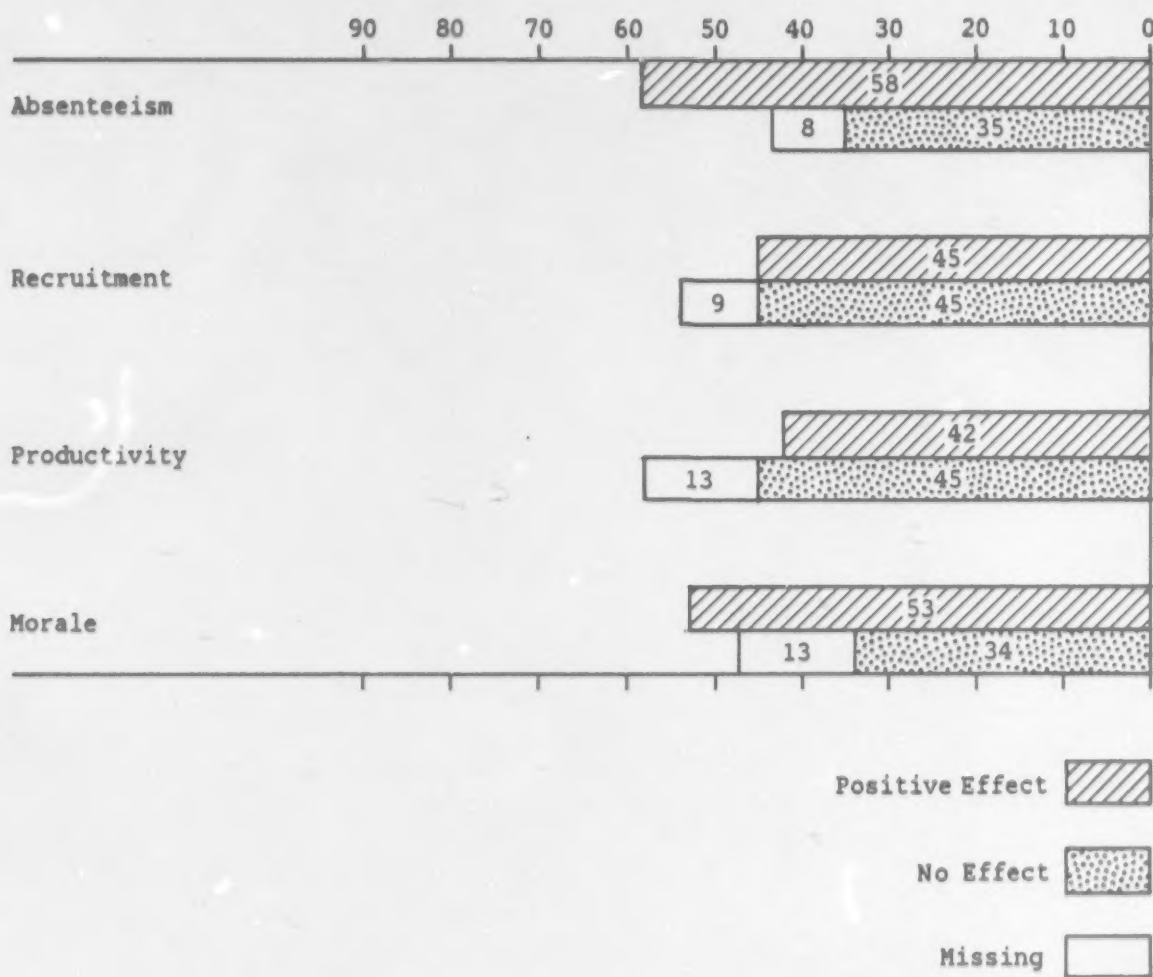
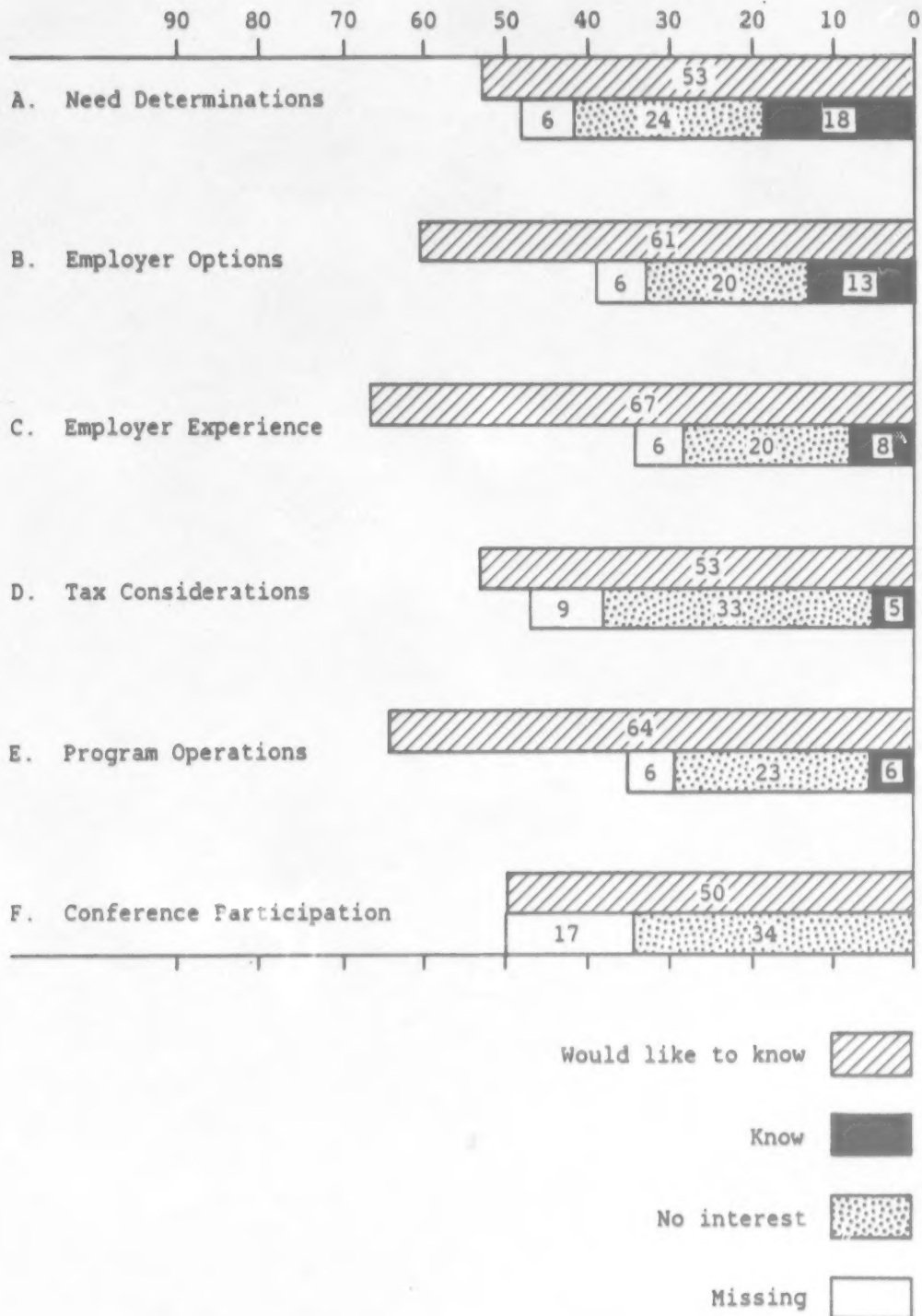


Figure 3.4.7 - Employer Knowledge and Interest About Child Care



6. Employer Characteristics as Indicators of Involvement, Knowledge Perceptions and Interest: Of the eight employer characteristics identified, four were compared to employer involvement, knowledge, and interest in child care assistance. They are employer type, size, percentage of female employees, and local community status. Figure 3.4.8 presents an illustration of each characteristic as an indicator of employer involvement and interest in child care based upon an averaging of the positive responses to parts of the involvement and knowledge survey questions. Each is briefly discussed.

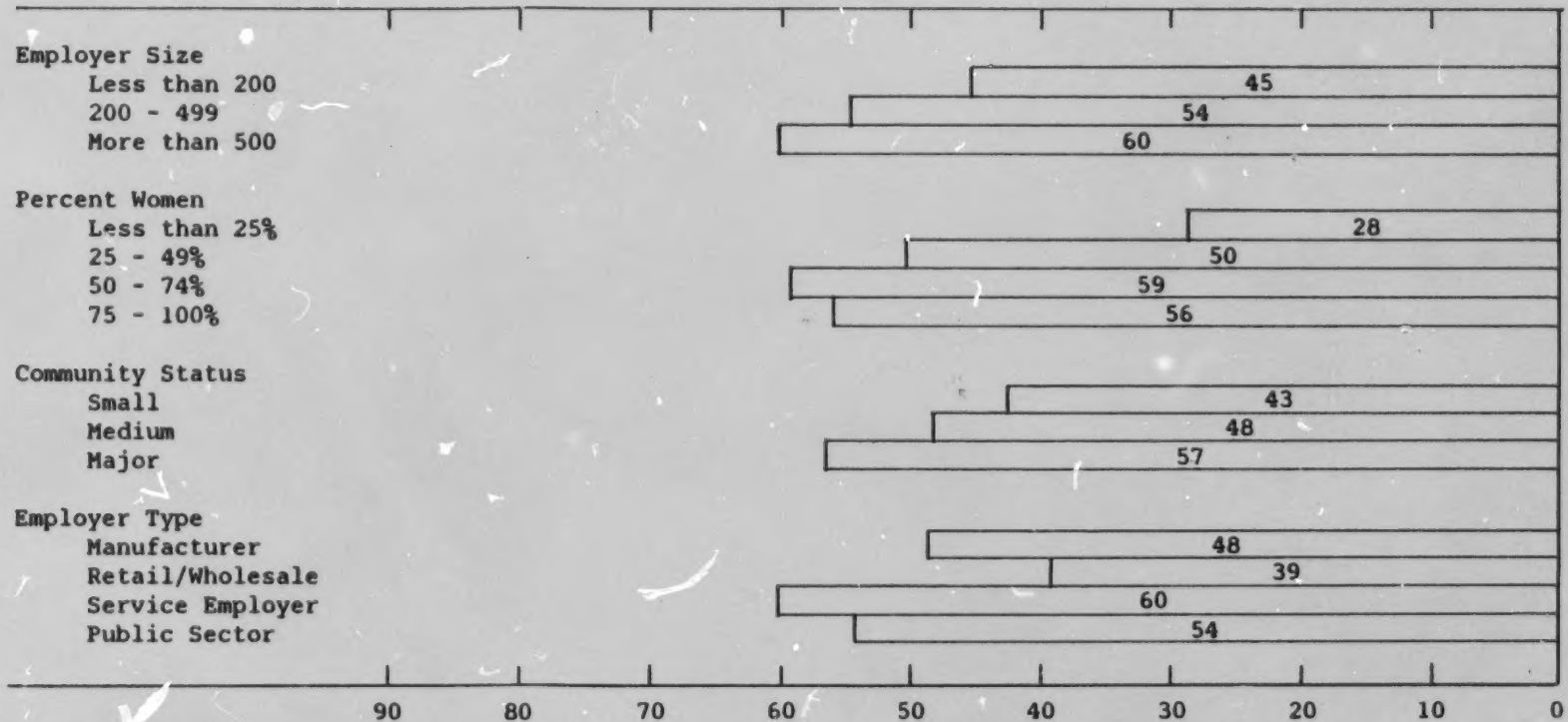
- o Employer Type: Retail and wholesale employers appear to be consistently less interested than any of the other types of employers. Service employers seem to be the most interested followed by public sector and manufacturing employers. The differences in the levels of involvement, knowledge, perceptions and interest between employer types seems to be fairly even. (Table 3.4.12, 3.4.16, and 3.4.20)
- o Employer Size: Employer size as measured by the number of employees seems to be a significant indicator of employer involvement, knowledge and interest in child care. In nearly every instance the employers with over 500 employees were most involved, most knowledgeable, and most interested. These are followed by those with 200-500 employees. Those with less than 200 employees are consistently less involved and interested than the sample as a whole. The differences in the level of interest and involvement seems to be greater between those employers with less than 200 employees and those with 200-500 employees. (Tables 3.4.13 and 3.4.17)
- o Percentage of Female Employees: The level of involvement, knowledge and interest in child care assistance falls off sharply for those employers with fewer than 25 percent female employees. Employers with 25 percent or more appear to be about twice as involved and interested. (Table 3.4.14 and 3.4.18)
- o Community Status: Those considering themselves to be major employers in their local communities appear to be significantly more involved, knowledgeable and interested than the medium and small employers. The small employers are somewhat less involved and interested than medium employers. (Tables 3.4.15 and 3.4.19)

7. Significance of Employer Characteristics as Indicators: Based upon a comparison of the analysis of each characteristic just discussed a number of suggestions can be made as to the overall and relative significance of each as an indicator of employer interest in child care. The most significant seems to be a workforce of less than 25 percent women which consistently shows a much lower level of interest than any other single class of characteristics. Type of employer is perhaps the second most significant in that retail or wholesale employers are much less interested than any other employer type or any other class of characteristics except those with less than 25 percent women. Each characteristic appears to be associated with employer interest but there does not appear to be any significant difference in their relative importance beyond the two factors mentioned. The leading class within each characteristic

shows about the same level of involvement, knowledge and interest in child care as the others. The characteristics of those showing the greatest degree of interest are the service employers employing more than 50 percent women, and more than 500 employees who are major employers in their local communities.

Figure 3.4.8

Ranking of Selected Employer Characteristics as Indicators
of Employer Involvement Knowledge and Interest in Child Care



NOTE:

Percentages are averages of the sum of percentage responses for those employers indicating involvement in or willingness to consider I&R services, flexible benefits, enrollment subsidy, on-site centers or financial contributions plus the sum of percentage responses for those employers indicating knowledge about or interest in learning more about employer options and employer experiences in child care.

4.0 RESULTS AND RECOMMENDATIONS

4.1 Summary of Results

The results or findings are summarized in brief answers to the study questions.

1. WHAT ARE THE WAYS OR OPTIONS EMPLOYERS HAVE FOR SUPPORTING CHILD CARE?

Three basic characteristics of employer involvement were identified: 1) the type of program or child care service; 2) the type of support; and 3) the type of employer participation. Each feature was classified as follows:

o Program or Service Type

Information Services: Includes information and referral services, counseling services, parent education, materials distribution, and needs assessments.

Day Care Centers: These programs are where child care is provided for a group of children away from their homes in a established setting. Centers were further classified by location including work-site, or on-site, near-site, and off-site centers.

Family Day Care Homes: There are programs where child care is provided in a home setting.

Partial Programs: These include an assortment of programs of a part-time or temporary nature such as after-school programs; summer vacation or camp programs; child illness and emergency programs; and school holiday and snow day programs.

o Support Type

Sponsorship: This is where the employer directly operates or assumes general responsibility for the child care service. It implies a greater degree of administrative and financial commitment by the employer.

Financial Support: This is where the employer does not "sponsor" or operate the program but provides financial support to an independently operated child care program. Such support could include donated goods and services; loans and loan guarantees; enrollment subsidies for employees through prepaid purchases of service or through reimbursed vouchers; flexible benefits; and alternate work scheduling policies such as part-time employment, job sharing, flextime and flexplace or work or home.

o Participation Type

This is a simple distinction as to whether employers support child care individually or together with other employers. Group participation is commonly referred to as a consortium.

A large variety of employer options have been constructed from various combinations of these features.

2. WHAT ARE THE REASONS WHY EMPLOYERS CHOOSE TO SUPPORT OR NOT SUPPORT CHILD CARE?

The first consideration seems to be the perception of need which may be largely affected by the proportion of women employed. The findings from the survey of Appalachian employers clearly shows that those with fewer than 25 percent female employees have little interest in child care. The findings also show that of those undertaking one of the most substantial options, the sponsorship of a day care center, none employed fewer than 25 percent women and most, 77 percent, have a workforce which is over half female.

Other factors may influence the perception of need such as demands or problems expressed by employees, the availability of child care locally, the provision of child care service by competitors in a tight recruiting market, and any number of personnel or other operating problems such as employer recruitment, job turnover, absenteeism, tardiness, morale, quality control and productivity.

The findings from the survey of employer supported programs identified a wide variety of reasons why programs were begun. Of the 25 programs surveyed management was responsible for initiating more than half. The employees or unions started one quarter and the others were begun by combinations of staff and management or by local child care providers. In those cases where management started the program they were often responding to a collection of requests or problems cited by individual employees rather than an organized request or demand made by a group of employees. In each case there was a set of fairly individual reasons why management felt a program was needed. The most common reason was some expression of need by current, prospective, departing and troubled employees.

The employer's perception of the potential benefits of a child care service is an important consideration but may not be the most significant reason for starting or keeping a program. The literature clearly shows that most employers now supporting child care programs feel it helps with problems of absenteeism, turnover, tardiness, morale, recruitment, and productivity. However, the perception of benefits seems to be nearly as high among all employers. The survey of Appalachian employers found that the perception of potential benefits to be nearly as high among all employers as it was for the thirteen Appalachian employers surveyed which were sponsoring child care centers. Perry found that even among those employers who had closed child care centers, half felt the program improved turnover and over four-fifths felt it helped recruitment. This suggests that the general perception of potential benefits is largely favorable and that other more significant factors are prohibiting employers from starting programs.

Cost and cost benefit considerations seem to be the most important factors influencing employers or prohibiting them from starting a program. The Perry survey shows that cost and its related problems is the main reason why centers which opened subsequently closed. Cost and its related problems was the main operating problem cited by the 25 employer programs surveyed. Although cost was not specifically addressed in the Appalachian employer survey, the Santa

Cruz survey found it to be the obstacle most often cited by employers. The level of current involvement and interest among the Appalachian employers appears to be directly related to the cost of the benefit.

The survey of Appalachian employers suggests that certain employer characteristics are associated with increased involvement and interest in child care. Characteristics such as employer size, status in community, employer type, community size, and proportion of female employees all seem to be associated with employer involvement and interest. These factors and others not studied probably influence the individual employer's perception of the need, feasibility, cost and cost benefit of child care assistance.

3. WHAT IS THE EXTENT OF EMPLOYER INVOLVEMENT IN CHILD CARE IN THE U.S. AND IN THE APPALACHIAN REGION?

The extent of employer involvement is unknown and can only be estimated. There was a complete inventory of employer sponsored day care centers done by Perry in 1978. This inventory excluded college and university programs and included military centers. A total of 105 nonmilitary centers were identified. Seventy-five or 71 percent of these were supported by hospitals. There is currently an attempt being made to inventory all U.S. nonuniversity nonmilitary employer supported child care programs including not only day care centers but also each of the other classes of child care services. This is being conducted by Child Care Information Services (CCIS), Inc., under a federal contract. Preliminary estimates reported by CCIS show a substantial increase, 57 percent, in the number of employer sponsored day care centers since the 1978 survey. CCIS estimates there are a total of 416 programs involving 483 employer supporters. Sixty-five percent of these are sponsored day care centers, 11 percent are programs where the employer provides financial support to an established service, 4 percent are enrollment subsidy programs, and 14 percent are parent education and other kinds of programs. Hospitals are still by this estimate the leading supporter accounting for 70 percent of the day care centers and 54 percent of the programs overall. Companies support 39 percent, government 5 percent and unions 2 percent of these programs.

The CCIS estimates show 79 programs in the Appalachian states and 14 in the ARC region. Each area has roughly the same proportion of employer types involved as the U.S. The CCIS figures are likely to change significantly when the final inventory is published.

The survey of Appalachian employers estimated the extent of employer involvement as did a number of other surveys reviewed in the background investigation. The Appalachian survey found very few employers involved with the more substantial options such as the sponsorship of a day care center, enrollment subsidies, or financial contributions to an established program. Involvement with these options ranged from 1 to 6 percent. Thirteen percent have surveyed employee needs and 12 percent support information and referral services. Twenty-two percent have conducted community need surveys and 29 percent have some alternate work scheduling practice in use. These findings seem roughly comparable with the findings of the other surveys. The greatest difference seems to be that the Appalachian employers have the lowest involvement with alternative work scheduling practices.

4. WHAT EFFECT DOES A RURAL LOCATION HAVE ON EMPLOYER INVOLVEMENT IN CHILD CARE?

The effect a rural location will have on employer involvement is unknown. The findings show however that the extent of involvement by employers from rural areas is extremely limited.

Twenty of 79 employer programs in the Appalachian states were found to be located in communities with a population of less than 10,000. Further analysis revealed that only 5 of these were located outside Standard Metropolitan Statistical Areas (SMSA's). One of these programs has recently closed and two are actually proprietary services working in space provided by one employer. So overall only 3 programs or 4 percent of the total in the Appalachian states are operating in truly rural communities. In the ARC region over 25 percent of the population live in rural counties. This suggests that a rural location is somehow negatively associated with employer involvement. The findings from the survey of Appalachian employers support this suggestion.

5. WHAT ARE THE CHARACTERISTICS AND EXPERIENCES OF ESTABLISHED EMPLOYER SUPPORTED CHILD CARE PROGRAMS?

The various types of programs are briefly discussed in the background section. The survey of employer supported programs focused primarily on day care centers although two information and referral programs and one voucher program were surveyed. Some highlights of the findings are presented here.

- o There seem to be very few rural programs. Of five programs surveyed which were located in communities of less than 10,000 people only two were outside a SMSA.
- o The majority, 60 percent, of the programs surveyed were located in urban areas or areas with populations of 50,000 or more.
- o Hospitals appear to be more likely to sponsor or directly operate programs rather than provide support to independently run services. Eleven of 12 hospital programs surveyed sponsored or assumed general responsibility for the program.
- o The consortium programs were primarily located in the larger metropolitan areas.
- o Retail and wholesale employers appear to be less involved than other basic employer types. Of 25 employers in the sample there were no examples of involving retail or wholesale employers.
- o Information and referral programs can easily be combined with more substantial employer supported programs. Of the two I&R programs surveyed both were operated in combination with employer supported day care.
- o The work-site centers are primarily sponsored or operated by the employer. Thirteen of 16 on-site centers surveyed were operated by the employer.

- o All programs served toddlers, ages 2 to 3; all but one served pre-schoolers, ages 3 to 5; three quarters served infants and 44 percent served schoolaged children.
- o Hospital programs appear more likely to serve infants than do programs supported by other employer types. Eighty-three percent of the hospitals served infants compared to 76 percent for the total sample.
- o The average budgeted cost per child for the center programs was \$2,840 per year per child.
- o The average weekly toddler fee was \$38 for the center programs.
- o Most centers charge on a weekly basis and nearly half charged a single amount without regard to the age of the child. Nearly all charge fees set below actual cost.
- o Most programs, 80 percent, which were sponsored or operated directly by the employer were run exclusively for employees.
- o All of the center programs were supported by employers with more than 500 employees.
- o Only 4 of the 25 center programs attempted to recover total costs from fees.
- o The more heavily subsidized programs or programs with the lowest fees appear to have waiting lists and little problem with under-enrollment.
- o Cost was the most frequently cited operating problem.

6. WHAT ARE THE CHARACTERISTICS OF ESTABLISHED CHILD CARE PROGRAMS IN APPALACHIA?

There have been a number of thorough national studies of child care programs. Findings from some of these are reported in the background section. A survey of 33 Appalachian child care programs was conducted to provide a current descriptive base for this project. Some of the more relevant observations and findings are summarized below.

- o Infant care may be in short supply. Only 40 percent or 11 of 29 center programs surveyed were servicing infants. A few of the program directors reported a need for infant care in their communities.
- o Day care services appear to be generally available in the communities surveyed with the possible exception of infant care and care after normal working hours. The median utilization rate for the programs surveyed was .89.
- o The for profit and family day care programs were totally dependent upon fee income. The private nonprofit programs were primarily

dependent upon fee income but usually were supported by a local parent organization. The nonprofit programs receiving federal support were typically very dependent upon public funds.

- o Only 3 of the 33 programs surveyed reported receiving any financial support from local employers. Two of these involved periodic contributions which were usually for special projects. One involved a \$25 weekly child care allowance for employees not eligible for Title XX.
- o The amount of the fees charged does not appear related to the source of the day care center funding. The median fee for each of the classes of centers was \$35 as compared to \$27 for the family day care programs.
- o Forty percent of the center directors reported funding as their major problem. The for profit centers are less concerned about funding than the others.
- o Although a few programs have attempted to get support from local employers there generally appears to be little creative initiative in this area. Two for-profit centers did not want employer support, but there was a high level of interest in learning about what could be done among the other program directors.

7. WHAT ARE THE CHARACTERISTICS OF THE PARENTS AND HOUSEHOLDS WHICH ARE NOW USING APPALACHIAN CHILD CARE PROGRAMS?

A survey of the parents or the two principal providers living with children enrolled in 22 Appalachia child care centers was conducted. Four hundred fifty-one households were included in the sample. Some of the more relevant observations and findings are summarized.

- o Two basic types of families with children in Appalachian day care centers were identified: 1) the two wage earner family with one to two children, one of them in a full-time child care program, with a family income of \$30,000 or above, and 2) the single parent family with an annual income of less than \$10,000.
- o Ninety-six percent of the respondents were parents of the child and 77 percent were females.
- o Forty-nine percent of the respondents identified another principal wage earner who helps support the child.
- o Over one-third of the wage earners work for service organizations and over one-quarter work for manufacturers.
- o Over one-third of the wage earners work for employers with more than 200 employees.
- o Sixty percent reported employment as the primary reason for enrolling their child in the day care center while 32 percent said it was better for the child.

- o The average family had previously used 1.9 different child care arrangements.
- o Preferences for the location of the center near home or work were equally divided.
- o Two-thirds of the respondents were very satisfied with the quality of care, building and play area, activities, travel distance and schedule. Over half were satisfied with the cost. Negative ratings were below 3 percent and not one person rated the quality of care negatively.
- o The survey was unable to characterize a "typical" household or family who uses center-based care although specific programs may tend to serve a more homogeneous group.

8. WHAT INTEREST DO APPALACHIAN EMPLOYERS HAVE IN SUPPORTING CHILD CARE, AND WHAT IS THE NATURE OF THAT INTEREST?

Eight surveys of employers, each of which dealt to some extent with this question, were reviewed in the background investigation. In addition, a representative survey of 288 Appalachian employers was conducted which assessed their knowledge, involvement and interest in child care. The principal findings concerning their potential interest are discussed here.

The principal finding or suggestion arising from the review of the previous employer surveys was that employer interest appears to decline rapidly as the options take on the character of the direct sponsorship of a specific child care or day care service and as the options become more expensive. That suggestion was confirmed by the survey of Appalachian employers.

The Appalachian employers have a high level of interest for the less costly options. Roughly two-thirds of the respondents were interested in or would consider conducting surveys of their community's and employees' need for child care and would consider supporting an information and referral service.

While the level of interest in the more substantial options such as providing financial support to a community program, enrollment subsidies, and the sponsorship of a center was less than the others it was not insignificant. The level of interest in these options ranged from 22 to 32 percent.

One difference between the previous surveys and the Appalachian survey concerned the level of interest in flexible benefit plans. The other surveys reported a high level of interest in this option which reached two-thirds in two of the surveys. Only one-third of the Appalachian employers expressed an interest in this approach.

The characteristics associated with employer involvement and interest were examined. The factors of employer type, employer size, size of community, proportion of female employees, and local community status all appear to be associated with employer interest. The most important factor seems to be the proportion of female employees. Those employing fewer than 25 percent women

are much less interested than any other class. Retail and wholesale employers were also found to be much less interested than any other class except those with less than 25 percent women. The characteristics of the employers showing the greatest degree of interest are the service employers employing more than 50 percent women, more than 500 employees and who rate themselves as major employers in their local communities.

The survey found a relatively low level of understanding about employer supported child care and a high level of interest in learning more. Half to two-thirds expressed an interest in learning more about each of five topics identified. Half said they would attend a local conference about employer supported child care.

9. WHAT INCENTIVES ARE BEING USED TO ENCOURAGE EMPLOYER INVOLVEMENT?

This question was briefly examined in the background investigation. Government and philanthropy have provided very few significant or effective incentives specifically designed to generally encourage employer involvement in child care. The federal government has just begun to fund a few small research and demonstration projects. At least one major foundation is considering a strategy to encourage employer involvement nationally.

Section 188 of the Internal Revenue code was specifically designed to encourage employer investments in child care facilities for their employees by permitting among other things the rapid amortization of those investments. This incentive was largely ineffective and ended on January 1, 1982.

A number of states have tax credit programs for businesses designed to encourage investments in community service projects. These have not been particularly effective in the promotion of employer supported child care. However, some states have considered tax credit plans designed specifically to encourage employer involvement in child care for their employees. A number of these legislative efforts have failed to pass and the experience of those which have is too recent to assess. A similar federal tax credit plan, HR-5965, has been introduced in the current session of Congress. The prospects for this legislation are unknown.

The most significant federal incentives to date may prove to be the Dependent Care Assistance Program which is part of the Economic Recovery Tax Act of 1981 which become effective January 1, 1982. This permits the value of child care assistance provided by an employer under plans meeting IRS requirements to be treated as fringe benefits and as such are tax free to both the employer and employee. Prior to this statute many employers considering child care benefits were reluctant to establish them because of their uncertain tax status. Many employers otherwise willing may still be reluctant if individual states do not choose to conform to the federal rules. The IRS regulations governing this program are due to be issued in June 1982 at which point the prospects for state conformity can be better assessed.

4.2 Recommendations

This study did not attempt to justify or find economic and social arguments for or against employer supported child care assistance. Nevertheless a number of observations in this regard can be made.

In Appalachia there does not appear to be a large unmet demand for child care services except for infant care, care in off hours, and possibly for care in more isolated areas. There is, however, a definite trend suggesting that demand will continue to rise over the next ten years at a time when direct public support for child care service is decreasing. If not borne by the government, the support for additional capacity and operations costs will have to be obtained from parents, the family, the community and in sacrifices in service quality. This added burden on the family is likely to take its toll in added stress and conflict which ultimately will affect job performance and the quality of family life. Most employers now providing child care assistance have expressed a similar recognition of the social value of their support. A similar recognition of the potential value of child care assistance was expressed in the survey of Appalachian employers.

Despite the social value of individual programs the findings from this study support the contention that employer child care assistance will offer very little for those families with the greatest need or those traditionally helped by government programs and over the short term will have little overall impact. However, the relative growth in involvement and the current interest among employers is high which suggests that the long term impact may be more significant.

Economic considerations and money seem to play an even more important role in child care than do the social factors. It is a prime consideration of parents when selecting child care arrangements. It is the main problem faced by the child care programs and it is the major obstacle to increased employer involvement.

It is difficult to determine the relative importance of the economic and social considerations for those employers currently providing child care assistance. Most employers seem to have arrived at a fairly individual set of social and economic reasons for their involvement. Most employers who now offer child care assistance are sponsoring on-site day care which usually requires the greatest degree of subsidy. The main sponsors of this type of care are the military, hospitals, and universities. Each of these types of employers have a characteristic rationale for their involvement and approach. The greatest increase in involvement among private corporations has been in the options which tend to limit responsibility and subsidy. This suggests that economic considerations will play an increasingly significant role among those interested but not yet involved.

The findings of the employer survey show that there is a significant level of interest among Appalachian employers. This suggests that some Commission initiatives could be expected to result in some further development of private sector support for child care. This study provides a sound basis for a strategy. There are clear indications of the characteristics of the employers likely to be most interested. These should be targeted. It is clear that employers want more information. This should be provided. It is also clear that the

greatest degree of interest will be in those options which are simplest or most feasible, which limit the employer's responsibility and cost, and at the same time provide a material contribution to the family. These options should receive the highest priority for general promotional support. Support for more substantive options should be reserved for situations where the evidence of interest is more definite.

The kinds of traditional actions that could be taken in support of an initiative in this area could include the promotion of tax benefits, regulatory relief, demonstrations, research, loans, loan guarantees, technical assistance, materials development, materials dissemination, technical assistance and training. Recommendations for a Commission initiative are made which suggest how to best use a number of these approaches. A first or second priority is assigned to each recommendation. No attempt is made at this point to determine the appropriate level of effort or investment for any individual recommendation or for an overall Commission initiative.

o (Priority #1). Assemble and distribute a set of materials to those Appalachian employers who expressed interest. Approximately two-thirds of the respondents to the employer survey indicated they wanted to know more about five specific topics. A similar proportion specifically requested the survey results. A list of these employers can be supplied to the Commission. It is recommended that a package of materials be prepared and sent to these employers. It may be appropriate to include announcements of any Commission initiatives in this area at the time of this mailing.

o (Priority #1). Support a centrally planned, developed and executed series of local conferences. Over half the Appalachian employers said they would attend a series of conferences to be conducted to capitalize on the interests expressed by employers. Such an effort will require the preparation of an agenda, the collection and development of supporting materials, the identification of sites and the identification of participants. A number of conferences have been held in other locations around the country including one in Kentucky and one planned in Corning, New York. The experiences of these conferences as well as the experience gained from this project will help considerably with any new effort. The conferences should focus primarily on the areas of interest expressed by the Appalachian employers. Good materials are already available and should require only a small degree of modification. The major and peripheral metropolitan areas should be the first areas considered in site selection. The primary audience for these conferences should be CEO's and Human Resource Directors. Local child care providers or advocates should be excluded or limited to the local provider leadership where that is clear. Local development district staff, local business school representatives, and other industry representatives should be invited. The LDDs should participate in the effort and should perhaps be identified as the host or joint sponsor together with the appropriate state office and the Commission. Lists of employers to be invited can be assembled by the LDDs using as criteria the indicators identified in the employer survey. It is also recommended that conferences organize around specific employer types such as hospitals, banks, insurance companies, and similar groupings. It is recommended that all the conference planning, development and execution be coordinated centrally by either the Commission staff or an established training contractor or both. It is also recommended that the conference coordinator use the best individual consultants available for presentations in the key areas of the agenda. Conferences should not be designed

to run for more than half to three quarters of a day. In our view conferences would be the most effective way for the Commission to reach the largest audience for the least cost.

o (Priority #1). Support the Commission initiatives with technical assistance. Individualized technical assistance is perhaps the most effective way of encouraging or supporting this kind of development effort. Interested employers can get much better help and encouragement from an experienced consultant than they can from materials sent through the mail or by attendance at a local conference. However, this approach is expensive and inappropriate for a general promotional effort. It is recommended that the Commission invest in some quantity of technical assistance to be used on an as needed basis in support of whatever specific initiatives it chooses to undertake. The best arrangement would be an indefinite quantity contract in which the contractor would make available an open ended pool of individual consultants who may have expertise in one of the many subject areas involved. This resource could be applied to any activities recommended here as it is requested and approved. It could also be supplied to individual or groups of employers who may identify themselves as being seriously interested in the development of a child care program. It could also be supplied to LDD's and child care providers who have an interest in promoting local efforts.

o (Priority #1). Develop a written model of a simplified flexible benefits program which offers child care as an optional benefit and has three basic but independent features: 1) a salary reduction option, 2) optional medical and vacation benefits, and 3) an employer paid child care benefit for targeted employees. The flexible benefits approach is in our view the most promising. It is the approach best suited to the interests of Appalachian employees and employers generally. In a flexible benefits program employees are permitted to trade between established benefits which in this case would include child care assistance.

Flexible benefits are relatively new. Hewitt Associates, a leading benefits consultant, identified more than 21 plans as of January 1982 and was at that time designing programs for over 100 firms. All but one of these employers chose not to include child care as an optional benefit because of its uncertain tax status. The new tax law eliminates this uncertainty beginning in the 1982 tax year. Hewitt says that many of their clients are now planning to add child care as an optional benefit.

Many employers have perceived flexible benefits programs to be complicated and to require a rich benefit package. This is partially because they are new and because those firms which have moved forward are larger corporations who have designed comprehensive and complicated plans covering large numbers of employees. Hewitt Associates provides evidence that simplified plans involving small employers and as few as two optional benefits are possible. They are currently working on this with a number of smaller clients one of which has fewer than ten employees.

It has been suggested that flexible benefits have limited applicability to child care because they require rich benefit packages which include many nonessential benefits which can be traded for child care. Most lower and middle income employees are not likely to have many nonessential benefits that they can afford to trade. However, there are three basic sources which are best

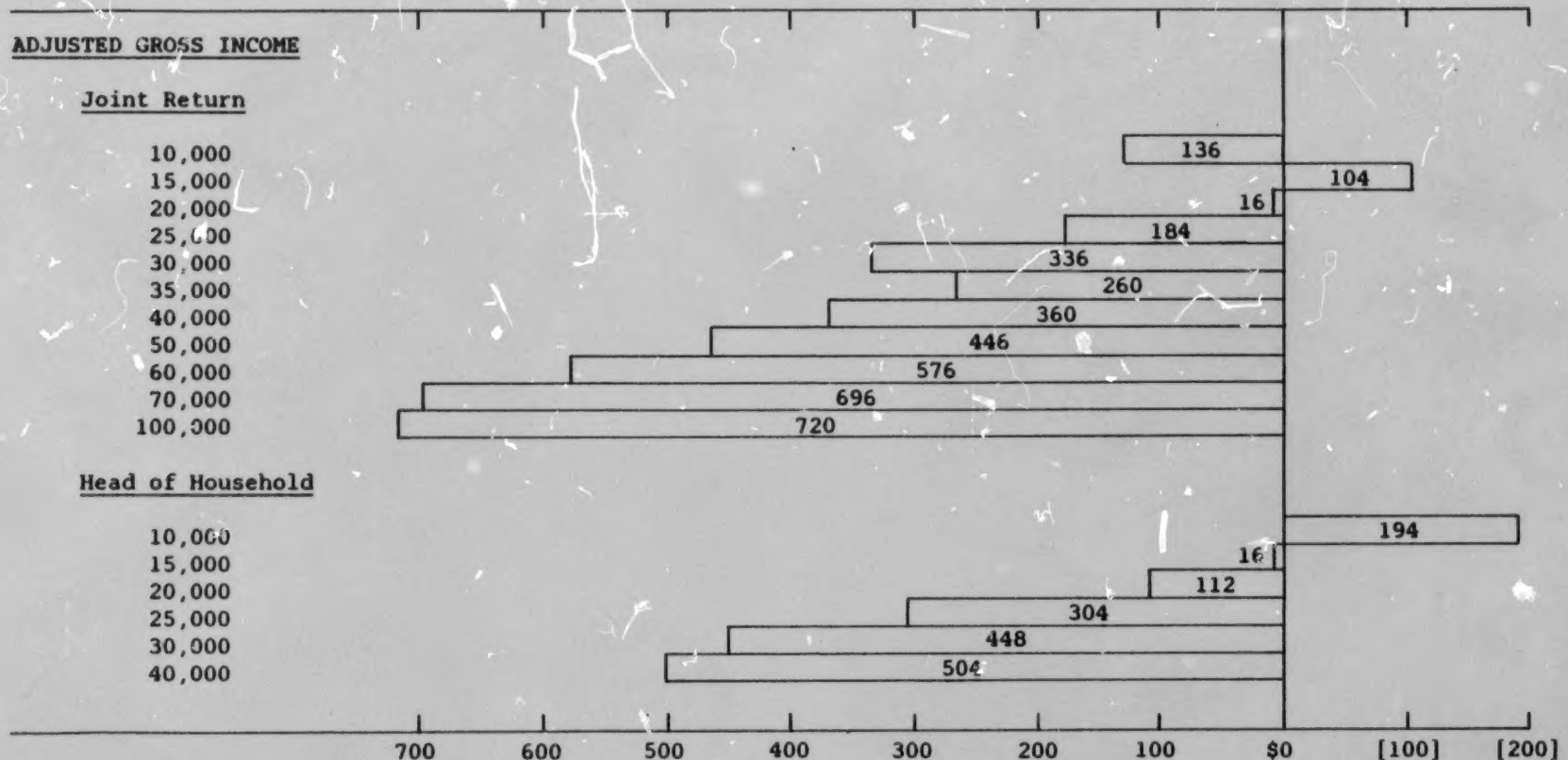
suited to this approach. The first is salary. Section 125 of the Internal Revenue Code which governs flexible plans permits salary to be exchanged for other benefits in a so called salary reduction program. When pay is exchanged for child care the employee may achieve the added benefit of income tax and FICA savings. The employer also shares in this benefit by avoiding some earnings related payments including the employer match of FICA and possibly some unemployment charges. Tables 4.2.1 and 4.2.2 presented in the Appendix estimates the 1982 federal tax and FICA savings at various earnings levels for a family of four and a family of two under specified circumstances. The estimated savings are summarized in Figure 4.2.1 shown here. This analysis takes into consideration the loss of the child care credit when the salary reduction option is elected. It is clear that the savings are greater as earnings increase. At the lower end of the wage scale the credit is worth more than salary reduction. However, salary reduction is clearly better for incomes beginning in the twenty thousand dollar range and maybe lower depending upon circumstances. This analysis ignores some other relevant considerations including state tax savings, and the possible loss of some earnings related benefits such as pensions. The impact upon social security benefits which is established using a 35 year earnings base should be immaterial. Hewitt Associates estimates when taking state tax into consideration in Minnesota the breakeven point may be as low as \$11,000 in adjusted gross income. If salary is reduced by more than the \$2,400 ceiling of work related child care expenses used to figure the credit the tax savings will be even greater than that shown here. Assuring the employees earnings are below the FICA ceiling of \$32,400 the employer will save at least \$150 in FICA payments on each \$2,400 of reduced salary. In our view salary reduction provides an excellent opportunity for employers to offer a tax savings to many of its employees at minimal cost.

In addition to salary there are two other principal benefits which Hewitt claims many employees will be willing to trade for child care. They are medical care and vacation. Many two wage earning families with children have employer supported individual health insurance coverage. Some may be willing to opt out of the "extra" coverage in exchange for child care assistance at a value equal to or somewhat less than the employer's enrollment costs. In addition some may be willing to select low option health coverage in exchange for some child care assistance. Vacation is another material source which some employees may be willing to exchange part of for child care. It should be emphasized that the employer can choose to cover some of its administrative costs by providing child care assistance at a value somewhat less than the cost of the original benefit being traded.

There are other advantages to the flexible benefits approach in addition to its feasibility and low cost requirements. The most significant of these is that it solves the problem of equity. Unions and management resistance to child care assistance has in part been based upon the fact that only those employees with eligible children receive the benefit. The flexible benefits plan does not have this problem. It also has the advantage of limiting the liability and responsibility of the employer in that the employees can be responsible for acquiring the services of their choice. The fact that employees would be free to choose their own program means that established providers are more likely to benefit from the arrangement. The flexible benefits approach also provides a full variety of opportunities for the employer to expand its control over and contribution to its child care benefits. It is an approach which can accommodate other methods of support and a complete range of services.

Figure 4.2.1

Individual Federal Tax and FICA Savings From a Salary Reduction Program for \$2,400 in Reduced Salary for One Qualifying Child for a Family of Four Filing Jointly and for a Family of Two Filing as Head of Household in 1982



NOTES:

- 1982 Tax Rate Tables
- 1982 Child Care Tax Credit
- Joint Return: Family of four with one dependent child qualifying for credit
- Head of Household: Family of two with one dependent child qualifying for credit
- Child Care Expenses of \$2,400 for one qualifying child
- Salary Reduction of \$2,400 elected
- 1982 FICA: 6.7% of gross up to \$32,400
- State Tax Savings excluded

In our view the most appropriate step an employer could take in an expansion of its role would be the provision of direct child care assistance on a limited cost and income related basis using a vouchering arrangement. The cost of the benefit to the employer would be controllable and its application would be directed to those most in need. Other groups besides the needy could be targeted as long as the plan does not discriminate in favor of owners or highly compensated employees. Ideally the vouchers would be unrestricted or cover a full range of child care services.

It is recommended that the Commission support the development of a written model of a simplified flexible benefits plan which would include the three features discussed as independent or excludable components and which would identify the basic plan characteristics and other development and implementation considerations.

o (Priority #1). Analyze forthcoming IRS rules on the Dependent Care Assistance Program and assess the current status and prospects for state conformity. One of the most promising incentives is the Dependent Care Assistance Program. The IRS rules which are expected to be issued in June 1982 could seriously affect the impact this program will have. The Commission should be prepared to review and comment on these rules insofar as they may help or hurt its initiatives in this area. In addition, the current status and prospects for state conformity with the IRS rules is unknown. In general most states seem to conform to IRS rules relating to income recognition and fringe benefits. States choosing not to conform could significantly impair the prospects for employer involvement and a Commission initiative. It is recommended that the Commission support an analysis of the current status and prospects for state conformity and advise the states of its assessment.

o (Priority #2). Support simplified flexible benefit plan demonstrations in the Appalachian region which adopt the features of the written model. It is recommended that flexible benefit plan demonstration be supported which use one or more of the features described in the model. If the Commission's authority will not permit grants to a for profit employer there are a couple of alternatives. The demonstration could be supported by a contract rather than a grant. Grant support could also be provided to a nonprofit or public sector employer for this purpose. This support could be used to cover a share of the initial design, conversion, and start-up costs associated with the demonstration.

o (Priority #2). Develop and support a clearinghouse strategy for the Appalachian States. The clearinghouse strategy would address the question of how clearinghouse functions could best be managed within the region. These functions include the collection, development and dissemination of relevant materials and the receipt and disposition of employer and other requests. The strategy would identify the appropriate scope of activities, level of effort, key participants, targets and method or organization for the clearinghouse. It could be a localized, statewide or regional effort or some combination of these. In our view clearinghouse functions are best organized on a centralized basis. In this regard the strategy should seriously consider joining in the support of a national effort which is being considered by at least one major foundation. Commission support to a national clearinghouse could be limited to a whole or fractional share proportionate to the region or it could be keyed to specific functions designed to serve all or part of the region.

o (Priority #2). Support local demonstrations designed to organize local child care providers for the purpose of marketing services to employers. The findings suggested that one of the most convincing ways employers can be moved into action is by the persuasiveness of one or more of the principal parties. The parent employees and providers are the parties which need to persuade the employers and unions. They typically do not have resources and are essentially unorganized. The demonstration recommended would provide some of the resources required. The findings show that employers are most interested in the information and referral option and that there is a significant level of interest in this approach. The surveys also suggest that community run I&R services make more sense than employer operated services because there is less duplication and more economy of effort in a community run service. It is recommended that this demonstration focus first on the development and marketing of I&R services to employers. The Louise Child Care Center in Pittsburgh is now involved in a project similar to what is being recommended here. They are organizing over 100 providers in the metropolitan area. This I&R operation will be supported largely by placement fees paid by both the participating providers and employers. Once the essential I&R service is running the provider organization will exist and will be in a position to respond to more substantive interests of employers and to promote a greater degree of involvement. It is recommended that any demonstrations of this kind be aimed first at the more urban areas in Appalachia where the prospects for success will be greater.

o (Priority #2). Support a series of conferences for local child care providers. It is recommended that the Commission support a series of local conferences for child care providers designed to inform them about employer support, the need to organize and the best approaches to industry. The LDDs should be involved in this effort and can perhaps serve as the intermediary in subsequent organizing efforts and relations with industry. It is recommended that this also be a centrally coordinated and executed effort.

o (Priority #2). Inventory and analyze state legislative efforts and state tax credit programs. A number of state legislative efforts specifically designed to encourage employer involvement were identified in the background investigation. One general tax credit plan for businesses was also identified. It is recommended that an inventory and analysis of these efforts be prepared and distributed to the appropriate offices in the Appalachian states.

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Table 2.5.7 - DISTRIBUTION OF EMPLOYER SUPPORTED CHILD CARE PROGRAMS AND SUPPORTING EMPLOYERS BY LOCATION, COMMUNITY SIZE, TYPE OF EMPLOYER, ARC REGION, AND SMSA STATUS FOR THE APPALACHIAN STATES

PROGRAMS BY COMMUNITY SIZE						EMPLOYER NUMBER AND TYPE							
Location	Population	0-9,999	10,000-24,999	25,000-49,999	50,000+	Number of Programs	Hospital	Company	Gov't	Union	Number of Sponsors	ARC Region	SMSA
AL Huntsville	137802				1	1	1				1	*	Hunts.
Mobile	190026				1	1	1				1		Mobile
Montgomery	133386				1	1	1				1		Montg.
Fairhope	5720	1				1		1			1		Mobile
Opp (NS)	6493	1 NS				1		1			1		**
Subtotal		2	0	0	3	5	3	2	0	0	5		
GA Atlanta	496973				3	3	2	1			3		Atlanta
Augusta	59864				1	1	1				1		Augusta
Decatur	21943		1			1	1				1		Atlanta
Gainesville (NS)	15459		1 NS			1	1				1	*	**
Marietta	27216			1		1	1				1		Atlanta
Zebulon (NS)	776	1 NS				1		1			1		**
Fort Oglethorpe	3869	1				1	1				1	*	Chatta.
Subtotal		2	2	1	4	9	7	2	0	0	9		
KY Covington	52535				1	1	1				1		Cinn.
Louisville	361472				3	3	3				3		Louis.
Lexington	108137				1	1	1				1		Lex.
Subtotal		0	0	0	5	5	5	0	0	0	5		
MD Cheverly	6696	1				1	1				1		Wash.
Baltimore	905759				1	1			1		1		Balt.
Beltville	8912	1				1			1		1		Wash.
Bethesda	71621				2	2			2		2		Wash.
Kensington	2322	1				1			1		1		Wash.
Greenbelt	18199		1			1			1		1		Wash.
Subtotal		3	1	0	3	7	1	0	6	0	7		
MS Jackson	151968				1	1	1				1		Jackson
Nettleton (NS)	1591	2 NS				2		1			1	*	**
Subtotal		2	0	0	1	3	1	1	0	0	2		

APPENDIX A
TABLES

Table 2.5.7 - DISTRIBUTION OF EMPLOYER SUPPORTED CHILD CARE PROGRAMS AND SUPPORTING EMPLOYERS BY LOCATION,
COMMUNITY SIZE, TYPE OF EMPLOYER, ARC REGION, AND SMSA STATUS FOR THE APPALACHIAN STATES (continued)

		PROGRAMS BY COMMUNITY SIZE					EMPLOYER NUMBER AND TYPE							
Location		Population	0-9,999	10,000-24,999	25,000-49,999	50,000+	Number of Programs	Hospital	Company	Gov't	Union	Number of Sponsors	ARC Region	SMSA
A-2 NY	New York City	-				4	4	1	3			4		New York
	Long Island	-				1	1		9			9		NS
	Sea Cliff	5890	1				1		1			1		NS
	Syracuse	197208				2	2		2			3		Syra.
	Rochester	296233				1	1	1				1		Roch.
	Corning	15792		1			1		1			1	*	Elmira
	Oriskany	1627	1				1		1			1		Utica.-R
	Purchase	-	1				1		1			1		New York
	Westfield	3651	1 NS				1		1			1	*	**
	Subtotal		4	1	0	8	13	3	19	0	0	22		
PA	Philadelphia	1948609				4	4	3			1	4		Phil.
	Lima	2500	1				1	1				1		Phil.
	Sellersville	2829	1				1	1				1		Phil.
	Ambler	7800	1				1	1				1		Phil.
	Chambersburg	17315		1 NS			1				1	1		**
	Hanover	15621		1			1				1	1		York
	Bristol	12085		1			1		1			1		Phil.
	Trevose	6500	1				1		1			1		Phil.
	Ft. Washington	4000	1				1		1			1		Phil.
	Pittsburgh	520117				1	1		12			12	*	Pitts.
	Subtotal		5	3	0	5	13	6	15	0	3	24		
NC	Charlotte	241178				1	1	1				1		Charlotte
	Raleigh	121577				1	1	1				1		Ral./Dur.
	Durham	95438				1	1	1				1		Ral./Dur.
	Cary	7430	1				1		1			1		Ral./Dur.
	Hickory	20569		1 NS			1		1			1		**
	Mathews	783	1				1		1			1		Char.-G.
	Greensboro	140076				2	2		3			3		Char.-G.
	Subtotal		2	1	0	5	8	3	6	0	0	9		
SC	Spartanburg	44456	0	0	1	0	1	1	0	0	0	1	*	Gr.-Sp.

Table 2.5.7 - DISTRIBUTION OF EMPLOYER SUPPORTED CHILD CARE PROGRAMS AND SUPPORTING EMPLOYERS BY LOCATION, COMMUNITY SIZE, TYPE OF EMPLOYER, ARC REGION, AND SMSA STATUS FOR THE APPALACHIAN STATES (continued)

		PROGRAMS BY COMMUNITY SIZE					EMPLOYER NUMBER AND TYPE					ARC Region	SMSA
Location	Population	0-9,999	10,000-24,999	25,000-49,999	50,000+	Number of Programs	Hospital	Company	Gov't	Union	Number of Sponsors		
TN Chattanooga	119082				2	2	2				2	*	Chatta.
Knoxville	174587				2	2	2				2	*	Knox.
Nashville	447877				3	3	1	2			3		Nash.
Memphis	623530				1	1	1				1		Memphis
Subtotal		6	0	0	8	8	6	2	0	0	8		
VA Richmond	249621				2	2	2				2		Richmond
Alexandria	110938				1	1	1				1		Wash.
Norfolk	307951				1	1	1				1		Norfolk
Roanoke	92115				1	1	1				1		Roanoke
Winchester	14643		1 NS			1				1	1		**
Subtotal		0	1	0	5	6	5	0	0	1	6		
WV Charleston	71505	0	0	0	1	1	1	0	0	0	1	*	Charles.
Subtotal SMSA		15	5	2	48	70	-	-	-	-	-		
Subtotal Non SMSA		5	4	0	0	9	-	-	-	-	-		
Total		20	9	2	48	79	42	47	6	4	99		
Percent		25	11	3	61	100	42	48	6	4	100		
Total Programs							42	27	6	4	79		
Percent							53	34	8	5	100		

NOTES:

- (NS): Non-SMSA location
- (*): Location within the Appalachian (ARC) Region
- (**): Location outside an SMSA

TABLE 3.1.2 - THE PRINCIPAL CHARACTERISTICS OF EMPLOYER SUPPORTED CHILD CARE PROGRAMS SURVEYED

PROGRAM NUMBER	COMMUNITY	AREA SIZE	PROGRAM TYPE	CENTER SITE	EMPLOYER SUPPORT	NUMBER ENROLLED	AGE	ANNUAL BUDGET	WKLY. FEE	ENROLLMENT POLICY	EMPLOYER TYPE	EMPLOYER SIZE	PCM. AGE	ORGANIZER
1	Matthews NC	Rural	DCC	ON	SP	150	I,T,P	380,000	33	Closed	Manuf.	Large	3	Mgmt.
2	N/A	Rural	DCC	NS	SP, C	376	T,P	1,500,000	15	Priority	Manuf.	Large	15	Union
3	Nettleton MS	Rural	DCC	ON	FS	46	I,T,P	N/A	25	Open	Manuf.	Large	1	Mgmt.
4	Westfield NY	Rural	DCC	NS	FS	34	I,T,P,S	65,000	43	Open	Manuf.	Large	11	Provider
5	Fort Oyle Thorpe GA	Rural	DCC	ON	SP	74	I,T,P,S	154,000	30	Closed	Hospital	Large	1	Mgmt./Empl.
6	Freeport TX	Small	DCC	ON	SP	260	I,T,P	710,000	15	Closed	Manuf.	Large	3	Mgmt.
7	Corning NY	Small	DCC,I&R	ON	SP	24	T,P	81,000	43	Open	Manuf.	Large	2	Mgmt.
8	Oregon OH	Small	DCC	ON	SP	70	I,T,P	100,000	32	Closed	Hospital	Large	27	Mgmt.
9	Coon Rapids MN	Medium	DCC	ON	SP, C	60	I,T,P	130,000	55	Closed	Hospital	Large	8	Students
10	Spartanburg SC	Medium	DCC	ON	SP	150	I,T,P,S	250,000	34	Closed	Hospital	Large	7	Mgmt.
11	Portland ME	Urban	DCC	ON	FS	65	T,P,S	N/A	65	Open	Insurance	Large	4	Mgmt.
12	Charleston WV	Urban	DCC	ON	SP	182	I,T,P,S	N/A	45	Closed	Hospital	Large	2	Mgmt.
13	Pueblo CO	Urban	DCC	NS	SP	57	T,P,S	90,000	35	Open	Hospital	Large	13	Mgmt.
14	Independence MO	Urban	DCC	ON	SP	76	T,P,S	N/A	20	Closed	Hospital	Large	17	Mgmt.
15	Albany NY	Urban	DCC	ON	FS	100	I,T,P,S	260,000	50	Closed	Gov't.	Large	3	Union
16	Chattanooga TN	Urban	DCC	NS	FS	25	I,T,P,S	N/A	35	Closed	Hospital	Large	1	Provider

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Table 3.1.2 - continued

PROGRAM NUMBER	COMMUNITY	AREA SIZE	PROGRAM TYPE	CENTER SITE	EMPLOYER SUPPORT	NUMBER ENROLLED	AGE	ANNUAL BUDGET	WKLY. FEE	ENROLLMENT POLICY	EMPLOYER TYPE	EMPLOYER SIZE	PGM. AGE	ORGANIZER
17	Chattanooga TN	Urban	DCC	ON	SP	60	I,T,P	N/A	29	Closed	Hospital	Large	3	Mgmt.
18	Winston-Salem NC	Urban	DCC	ON	SP	125	I,T,P	N/A	31	Closed	Hospital	Large	8	Mgmt.
19	Huntsville AL	Urban	DCC	SP	ON	45	I,T,P,S	100,000	26	Closed	Hospital	Large	15	Mgmt.
20	Knoxville TN	Urban	DCC	SP	ON	71	I,T,P	N/A	30	Closed	Hospital	Large	3	Mgmt./Empl.
21	Minneapolis MN	Urban	DCC	FS	NS	130	I,T,P,S	397,000	65	Open	Manuf.	Large	10	Mgmt.
22	Pittsburgh PA	Urban	DCC	FS,C	NS	20	I,T	75,000	65	Open	Manuf.	Large	1	Provider
23	Washington DC	Urban	DCC	FS,C	NS	48	I,T,P	142,000	70	Open	Service	Large	3	Staff
24	Philadelphia PA	Urban	DCC	FS,C	NS	125	T,P	460,000	30	Priority	Manuf.	N/A	6	Union
25	New York NY	Urban	V,I&R	FS	N/A	N/A	N/A	N/A	111	Closed	Service	Medium	10	Employees

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DEFINITIONS

- Community Size: Rural--less than 10,000 pop. Small--10,000 to 24,000 pop. Medium--25,000-49,999 pop. Urban--more than 50,000 pop.
- Program Type: (DCC) Day Care Center. (V) Vendor or Voucher Program. (I&R) Information and Referral Program.
- Employer Support: (SP) Sponsorship or where employer operates or assumes general liability for program.
(FS) Financial support or where employer provides a limited financial cash or in kind contributions.
(C) Consortium or where more than one employer is involved.
- Center Site: (ON) On-site or at the worksite. (NS) Near the worksite.
- Ages: (I) Infants ages 0 to 2 years. (T) Toddlers ages 2 to 3 years. (P) Preschooler ages 3 to 5 years. (S) School-age or 5 years or older.
- Weekly Fee: Fee charged for children ages 2 to 3 years. Average of high and low fees where income discounts are provided.
- Enrollment Policy: Open: Open to community. Closed: For employees only. Priority: Priority for employees.
- Employer Size: Large--over 500 employees. Medium--200-499. Moderate--50-199. Small--0-49.
- Program Age: Year of operations with employer involvement as of January 1, 1982.
- Organizer: Party principally responsible for starting program as identified by respondent.

NOTES

- Programs presented in order of the size of their community.
- Program #2 operates centers in three locations one of which is rural.

TABLE 3.2.1: Appalachian Child Care Programs by Type and By State

State	Centers:			Family Day care	Total
	Profit	Nonprofit (private)	Nonprofit (public)		
AL	1	1	-	-	2
GA	1	1	2	-	4
KY	-	2	1	1	4
MD	-	-	1	-	1
MS	-	-	1	-	1
NY	-	2	2	-	4
OH	-	-	1	-	1
PA	1	-	4	-	5
TN	1	-	1	2	4
SC	1	1	-	1	3
VA	2	-	-	-	2
WV	1	1	-	-	2
TOTAL	8	8	13	4	33

TABLE 3.2.2: Utilization, Size of Community and Availability of Child Care,
By Appalachian Child Care Program Surveyed

		<u>Licensed Capacity</u>	<u>Enrollment</u>	<u>Usage Rate</u>	<u>Years of Operation</u>	<u>Size of Community</u>	<u>Availability of Child Care</u>
PROFIT:	1.1	55	70	1.27	3	Small	Adequate
	1.2	93	67	.72	4	Medium	**
	1.3	18	16	.89	4	Medium	Adequate
	1.4	25	25	1.00	3½	Medium	Adequate
	1.5	109	54	.50	-	Medium	-
	1.6	225	170	.76	14	Urban	Adequate
	1.7	170	160	.94	7	Small	Adequate
	1.8	63	46	.73	4	Small	Adequate
NON-PROFIT (PRIVATE):	2.1	-	30	-	10	Urban	Need
	2.2	50	45	.90	0.5	Small	-
	2.3	155	70	.45	8	Medium	Adequate
	2.4	44	30	.68	17	Medium	Need infants
	*2.5	25	25	1.00	10	Rural	-
	2.6	20	20	1.00	27	Medium	Adequate
	2.7	75	75	1.00	17	Medium	Adequate
	2.8	40	19	.48	1.5	Rural	Adequate
NON-PROFIT (PUBLIC):	3.1	73	65	.89	10	Small	Adequate
	3.2	59	30	.51	9	Small	-
	3.3	50	20	.40	7	Small	Need infants & toddlers
	3.4	40	37	.92	9	Rural	Need
	3.5	74	69	.93	6	Medium	-
	3.6	40	40	1.00	14	Small	-
	3.7	120	130	1.08	9	Small	Need infants
	3.8	20	17	.85	10	Small	Need infants after school
	3.9	87	76	.87	-	Rural	Adequate
	3.10	127	120	.94	7	Rural	Need
	3.11	100	85	.85	8	Small	Adequate
	3.12	72	55	.76	12	Urban	Adequate
	3.13	57	61	1.07	13	Small	Need
FAMILY:	4.1	10	5	.50	15	Rural	-
	4.2	12	4	.33	-	Rural	Adequate
	4.3	5	2	.40	-	Urban	-
	4.4	15	13	.87	6	Rural	Adequate

*(closed 4/82)

**Child care needed for parents working the third shift.

TABLE 3.2.3: Budget, Fees, Sources of Public Support, and Major Problems
By Appalachian Child Care Program Surveyed

		<u>Annual Budget</u>	<u>Fees</u>	<u>Subsidies/Public Funds</u>	<u>Major Problem</u>
PROFIT:	1.1	-	30	N/A	Play area
	1.2	-	31-38	N/A	None
	1.3	30,000	43	N/A	None
	1.4	14,000	30	N/A	None
	1.5	-	-	N/A	-
	1.6	-	30	N/A	Staff
	1.7	240,000	38-48	N/A	Funding
	1.8	60,000	45	N/A	Funding
NON-PROFIT (PRIVATE):	2.1	30,000	30	space, maintenance, accounting	None
	2.2	-	35	space, utilities	Enrollment
	2.3	-	39	financial backing by private investors	Funding
	2.4	-	35	parent organization assuming all financial obligations	-
	2.5	70,000	34-52	None	Funding
	2.6	-	35	None	-
	2.7	100,000	34	None	-
	2.8	60,000	30-50	None	Funding
NON-PROFIT* (PUBLIC):	3.1	140,000	45	Title XX	Staff
	3.2	83,000	-	Title XX	Funding
	3.3	68,000	35	Title XX	Funding
	3.4	93,000	-	Title XX, State & County	-
	3.5	156,000	-	ARC Title XX	Funding
	3.6	156,000	-	Head Start	Funding
	3.7	260,000	-	ARC, HUD, State	Funding
	3.8	55,000	30	Title XX, OMEGA	Funding
	3.9	235,000	23-48	Title XX	Funding
	3.10	-	-	Title I, Title XX	-
	3.11	280,000	38-42	Title XX, Title IV	Staffing
	3.12	298,000	35-50	Title XX	-
	3.13	90,000	30	Title XX	-
FAMILY:	4.1	N/A	30	None	-
	4.2	N/A	30	None	-
	4.3	N/A	27	Local welfare	-
	4.4	N/A	25	None	-

*Fees reported for this group are charged only to parents who are ineligible for public assistance.

Table 3.3.1 - Household Characteristics by Child Care Center

Center code	N	# in family:				# 18+ employed:				Family income: *				# children 6:			# children 7-14:			# children in full-time cc:			# children in part-time cc:		
		2	3	4	5+	0	1	2	3	<10	10-	20-	30+	1	2	3	1	2	3+	1	2	3	1	2	3
											20	30													
1.1	22	2	10	8	2	0	4	18	0	2	6	8	4	15	6	0	8	0	0	16	3	0	5	1	0
1.2	16	2	8	4	2	0	4	12	0	2	2	3	6	12	3	0	6	1	0	10	1	0	4	1	0
1.3	8	1	2	4	1	1	2	5	0	1	1	2	4	5	3	0	2	0	0	2	1	0	5	0	0
1.4	19	0	15	3	1	0	5	13	1	2	7	2	7	13	4	0	4	1	0	11	4	0	6	0	0
SUB TOTAL																									
	65	5	35	19	6	1	15	48	1	7	16	15	21	45	16	0	20	2	0	39	9	0	20	2	0
2.1	12	0	6	3	3	0	0	11	1	0	1	1	8	11	1	0	1	2	0	11	0	0	1	0	0
2.3	13	1	8	3	1	1	3	9	0	2	2	4	2	9	4	0	2	0	0	12	1	0	1	0	0
2.4	30	6	10	7	7	0	15	15	0	6	6	3	13	28	1	1	3	4	1	24	1	0	5	0	0
2.5	14	3	5	5	1	1	6	7	0	4	5	5	0	10	2	1	4	0	0	5	1	0	9	0	0
2.6	10	2	5	1	2	1	3	5	1	2	2	0	1	7	3	0	1	1	0	6	2	0	2	0	0
SUB TOTAL																									
	79	12	34	19	14	3	27	47	2	14	16	13	24	65	11	2	11	7	1	58	5	0	18	0	0
3.1	34	5	8	7	14	3	13	13	0	16	7	2	1	19	11	2	11	3	3	22	10	0	0	0	0
3.2	5	0	0	1	3	1	1	2	1	1	1	0	1	0	3	2	1	0	1	1	4	0	0	0	0
3.3	12	5	2	3	2	1	7	4	0	7	3	1	1	11	1	0	2	2	0	9	0	0	2	0	0
3.4	24	1	7	12	4	1	7	7	1	10	5	4	0	6	17	1	3	1	0	13	3	0	8	1	0
3.5	7	0	2	5	0	0	0	7	0	0	3	1	3	6	0	0	6	0	0	6	0	0	2	1	0
3.6	11	1	2	4	4	8	2	1	0	8	1	0	0	2	6	3	1	1	0	3	1	0	7	0	0
3.7	57	6	30	12	9	1	16	40	0	5	10	21	16	38	15	1	21	4	1	32	7	0	22	3	0
3.8	13	6	4	2	1	0	9	4	0	6	1	4	0	11	2	0	3	0	0	11	0	0	2	0	0
3.9	30	6	14	5	5	0	16	14	0	11	12	3	0	23	5	1	7	2	0	20	4	1	5	0	0
3.10	27	4	9	9	5	0	8	18	1	4	11	5	3	16	10	1	1	2	0	12	9	1	6	1	0
3.11	16	0	4	12	0	0	3	13	0	3	0	1	11	8	8	0	1	2	0	7	4	0	4	1	0
3.12	37	7	11	9	10	1	25	9	1	27	8	0	0	20	15	2	9	3	4	28	9	0	0	0	0
3.13	34	9	14	6	5	0	21	13	0	15	9	6	1	26	6	2	6	1	0	27	5	2	0	0	0
SUB TOTAL																									
	307	50	107	87	62	16	128	145	4	113	71	48	37	186	99	5	72	23	9	191	56	4	58	7	0
TOTAL																									
	451	67	176	125	82	20	170	240	7	134	103	76	82	296	126	17	103	30	10	288	70	4	96	9	0

*in thousands

Table 3.3.2 - Parent Characteristics by Child Care Center

Center code	N	Sex:		Relationship:		Education:			Employment:		Size of employer:				Type of employer:						Salary (in thousands):			
		M	F	Parent	Other	< HS	HS	Col	Emp	Not emp	< 10	10- 50	50- 200	200+	Mfg	R/W	Serv	PS	Oth	< 10	10- 20	20- 30	30+	
1.1	22 A	3	17	21	0	1	7	14	21	0	5	3	5	8	9	4	4	3	1	11	9	1	0	
	B	9	2	11	0	1	5	5	10	0	4	0	2	5	6	1	3	1	0	2	8	0	1	
1.2	16 A	2	14	15	0	0	3	12	15	0	3	4	3	5	3	0	7	3	0	1	5	6	3	
	B	10	1	11	0	0	2	8	10	0	1	5	3	2	1	0	5	1	1	1	4	3	0	
1.3	8 A	1	7	7	0	0	1	6	5	3	0	0	0	5	0	0	0	5	0	3	2	0	0	
	B	5	1	6	0	0	0	6	6	0	0	0	1	5	1	0	0	4	1	2	1	3	0	
1.4	19 A	3	13	17	1	0	3	12	16	1	0	4	1	11	8	7	0	0	2	4	8	2	0	
	B	11	3	14	0	0	6	8	15	0	0	0	3	11	9	1	3	0	2	2	7	2	2	
SUB TOTAL	65 A	9	51	60	1	1	14	44	57	4	8	11	9	29	20	11	11	11	3	19	24	9	3	
	B	35	7	42	0	1	13	27	41	0	5	5	9	23	17	2	11	6	4	7	20	8	3	
2.1	12 A	2	9	12	0	0	3	9	12	0	2	6	1	3	1	1	6	4	0	5	4	1	2	
	B	7	1	8	0	0	2	6	8	0	4	0	1	2	3	1	3	1	0	1	3	3	1	
2.3	13 A	3	10	13	0	2	2	9	9	1	2	1	3	5	3	1	3	1	4	4	5	2	0	
	B	3	1	4	0	0	2	2	4	0	0	2	1	1	0	1	0	0	3	1	1	2	0	
2.4	30 A	6	23	29	0	2	4	23	25	4	4	4	4	14	4	2	4	14	1	7	8	9	0	
	B	12	3	15	0	0	3	12	12	1	0	3	2	7	1	2	4	4	1	1	4	4	1	
2.5	14 A	3	11	14	0	0	4	10	13	1	2	5	4	2	1	0	8	2	2	5	8	0	0	
	B	7	1	8	0	0	3	5	8	0	4	1	2	1	1	0	4	0	3	1	6	0	0	
2.6	10 A	6	10	10	0	1	4	5	9	1	1	1	1	6	4	1	1	1	1	2	1	0	0	
	B	4	1	4	1	0	3	2	5	0	2	0	2	1	2	1	0	1	0	0	1	0	0	
SUB TOTAL	79 A	17	59	78	0	5	17	56	68	7	11	17	13	30	13	5	22	22	8	23	26	12	2	
	B	33	7	39	1	0	13	27	37	1	10	6	8	12	7	5	11	6	7	4	15	9	2	

(continued)

*A = respondent. B = other wage earner who supports child in child care center.

Table 3.3.2 - Parent Characteristics by Child Care Center (continued)

Center code	N	Sex:		Relationship:		Education			Employment:		Size of employer:				Type of employer:					Salary (in thousands):				
		M	F	Parent	Other	<HS	HS	Col	Emp	Not emp	<10	10- 50	50- 200	200+	Mfg	R/W	Serv	PS	Oth	<10	10- 20	20- 30	30+	
3.1	34	A	3	28	31	2	14	13	6	24	9	6	9	4	4	13	4	7	0	0	17	1	0	0
		B	10	2	12	0	2	4	3	12	0	4	2	3	2	5	2	3	0	0	8	1	1	0
3.2	5	A	1	3	5	0	4	0	1	3	2	0	1	1	1	3	0	0	0	0	2	1	0	0
		B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3	12	A	1	11	12	0	2	3	7	9	3	3	3	3	0	2	1	4	1	1	6	2	0	0
		B	3	1	4	0	0	2	2	3	0	0	0	1	1	1	0	2	1	0	1	2	0	0
3.4	24	A	9	13	22	1	4	13	6	13	8	10	0	4	1	2	1	9	0	2	9	3	0	0
		B	6	0	4	2	1	1	4	4	1	3	1	0	1	0	0	1	2	1	2	1	0	0
3.5	7	A	2	5	7	0	2	1	4	7	0	1	3	2	1	1	1	1	2	2	4	1	1	1
		B	3	1	4	0	1	1	2	4	0	1	1	0	1	2	1	0	0	1	0	2	2	0
3.6	11	A	1	10	11	0	3	7	1	1	10	0	0	0	1	1	0	0	0	0	0	0	0	0
		B	1	0	0	1	0	1	0	1	0	0	1	0	0	1	0	0	0	0	0	1	0	0
3.7	57	A	20	37	56	0	0	8	49	51	2	6	17	14	17	7	5	17	21	3	16	23	8	1
		B	25	17	40	2	0	7	35	40	0	9	8	17	8	8	6	13	11	2	8	23	5	1
3.8	13	A	3	9	12	0	3	6	3	11	0	3	3	1	4	3	0	9	0	0	4	5	1	0
		B	3	1	4	0	0	2	2	3	0	1	2	0	0	1	0	2	0	0	0	3	0	0
3.9	30	A	2	26	29	0	1	20	8	28	1	7	10	4	7	11	3	8	6	0	21	6	0	0
		B	15	0	16	0	2	10	3	11	2	1	2	4	4	5	1	1	1	5	2	7	0	0
3.10	27	A	6	20	25	0	3	13	10	23	3	4	11	5	3	6	2	11	3	1	11	9	1	0
		B	11	3	13	0	1	7	6	14	0	2	3	3	6	4	0	5	2	3	2	9	1	0
3.11	16	A	5	11	16	0	0	2	14	14	2	1	1	1	11	0	1	12	1	0	2	3	6	3
		B	9	5	14	0	0	4	10	14	0	4	0	2	8	2	1	9	0	2	2	2	5	2
3.12	37	A	1	34	37	0	4	18	14	32	2	5	14	6	9	2	6	13	6	7	27	8	0	0
		B	11	1	12	0	2	5	5	10	0	0	1	2	7	4	0	4	1	2	2	6	1	0
3.13	34	A	4	30	34	0	7	16	11	31	2	8	6	3	15	15	1	8	3	2	20	9	0	0
		B	10	2	12	0	2	5	5	10	0	3	0	3	6	4	0	2	4	0	3	9	0	0
SUB TOTAL	307	A	58	237	297	3	47	120	134	247	44	54	78	48	74	66	25	99	43	18	139	72	17	5
		B	107	33	135	5	11	49	77	126	1	28	21	35	44	37	11	42	22	16	30	66	15	3
Total	451	A	84	347	435	4	53	151	234	372	55	73	106	70	133	99	41	132	76	29	181	122	38	10
		B	175	47	216	6	12	75	131	204	2	43	32	52	89	61	18	64	34	27	41	101	32	8

Table 3.3.3 - Child Care Related Factors by Child Care Center

Center code	N	Reason for CC:			CC options used:					Location:			Satisfaction with child care program:																	
		Emp	B/C	Oth	FH	PO	NPH	NFO	Ctr	NH	NW	NI	Cost			Quality			Building			Activities			Distance			Schedule		
													VS	S	NS	VS	S	NS	VS	S	NS	VS	S	NS	VS	S	NS	VS	S	NS
1.1	22	14	7	0	5	14	1	15	7	4	12	6	10	11	1	11	11	0	7	13	2	12	8	2	11	10	1	13	8	1
1.2	16	13	2	1	4	4	1	7	13	7	8	1	2	14	0	10	6	0	14	2	0	13	3	0	8	8	0	11	5	0
1.3	8	5	1	2	3	1	5	6	6	2	2	4	4	2	2	8	0	0	5	3	0	5	3	0	5	3	0	6	2	0
1.4	19	14	3	2	2	8	1	10	11	6	12	1	14	5	0	13	6	0	10	8	1	14	2	3	16	3	0	13	6	0
SUB TOTAL	65	46	13	5	14	27	8	38	37	19	34	12	30	32	3	42	23	0	36	26	3	44	16	5	40	24	1	43	21	1
2.1	12	11	1	0	4	5	5	9	12	5	3	4	10	2	0	12	0	0	10	2	0	9	3	0	9	2	1	10	2	0
2.3	13	11	2	0	1	3	1	6	6	4	6	3	6	7	0	11	2	0	6	4	3	9	4	0	7	6	0	5	8	0
2.4	30	19	8	3	7	5	6	20	21	13	11	6	12	16	2	17	13	0	24	6	0	17	12	1	19	11	0	24	6	0
2.5	14	6	7	1	3	5	4	6	7	4	8	2	0	12	1	11	3	0	9	5	0	12	2	0	11	3	0	13	1	0
2.6	10	7	2	1	5	5	3	4	7	1	5	4	5	5	0	8	2	0	8	2	0	8	2	0	4	6	0	7	3	0
SUB TOTAL	79	54	20	5	20	23	19	45	53	27	33	19	33	42	3	59	20	0	57	19	3	55	23	1	50	28	1	59	20	0
3.1	34	18	12	4	10	12	2	7	21	15	10	9	25	9	0	28	6	0	29	5	0	28	6	0	29	4	1	30	3	1
3.2	5	5	0	0	2	0	0	1	3	4	1	0	4	1	0	4	1	0	2	3	0	3	2	0	4	1	0	5	0	0
3.3	12	7	4	1	4	1	2	8	8	6	5	1	3	9	0	8	4	0	5	5	2	8	4	0	8	4	0	7	5	0
3.4	24	4	19	0	7	5	2	6	5	15	3	6	22	2	0	22	2	0	21	3	0	21	3	0	17	6	1	18	6	0
3.5	7	6	0	1	0	3	0	3	7	4	2	1	4	3	0	5	2	0	6	1	0	6	1	0	6	1	0	6	1	0
3.6	11	1	9	0	8	8	6	7	8	5	3	1	10	1	0	8	3	0	9	2	0	8	3	0	5	5	1	5	6	0
3.7	57	32	21	4	12	16	16	27	32	10	29	16	13	37	7	46	11	0	34	22	1	46	10	1	44	11	2	46	9	2
3.8	13	5	8	0	3	6	3	8	5	2	6	5	11	2	0	10	3	0	9	4	0	10	3	0	8	4	1	8	5	0
3.9	30	15	11	4	11	17	14	21	19	8	15	7	15	15	0	24	6	0	16	14	0	22	6	2	23	6	1	17	13	0
3.10	27	19	7	1	9	10	4	9	7	18	7	2	15	12	0	22	5	0	19	8	0	23	4	0	17	9	1	18	8	1
3.11	16	13	2	1	7	7	6	9	9	5	4	1	5	9	2	11	5	0	2	11	3	9	6	1	3	11	2	5	8	3
3.12	37	24	10	3	11	15	12	22	23	17	14	6	23	13	1	30	7	0	29	8	0	30	7	0	17	17	3	24	12	1
3.13	34	24	7	2	9	13	5	12	24	11	14	9	25	9	0	27	7	0	27	7	0	24	10	0	21	11	2	22	12	0
SUB TOTAL	307	173	110	21	93	113	72	140	171	120	113	64	175	122	10	245	62	0	207	93	6	238	64	4	202	90	15	211	83	8
TOTAL	451	273	143	31	127	163	99	223	261	166	180	95	238	196	16	346	105	0	300	138	12	337	103	10	292	142	17	313	124	9

A-12

TABLE 3.3.4: Household Survey Frequency Distribution by Question

TOTAL N = 451

1. Number in family

	N	%	
2	67	15	
3	176	39	
4	125	28	
5+	82	18	
Missing	1	-	
	451	100	Avg. = 3.5 persons in family

2. Number 18+ employed

	N	%	
0	20	4	
1	170	38	
2	240	53	
3	7	2	
Missing	14	3	
	451	100	Avg. = 1.5 persons employed

3.a Number of children less than 6

	N	%	
0	12	3	
1	296	66	
2	126	28	
3+	17	4	
	451	101	Avg. = 1.4 children

3.b Number of children 7 - 14

	N	%	
0	308	68	
1	103	23	
2	30	7	
3	10	2	
	451	100	Avg. = 4 children

4.a Number of children in day care full-time

	N	%	
0	89	20	
1	288	64	
2	70	16	
3	4	1	
	451	101	Avg. = 1.0 children

TABLE 3.3.4: Household Survey Frequency Distribution by Question (cont'd)

4.b Number of children in day care part-time

	N	%	
0	346	77	
1	96	21	
2	9	2	
	<u>451</u>	<u>100</u>	Avg. = .25 children

6. Child supported by number of adults

	N	%
1	238	53
2	209	46
Missing	4	1
	<u>451</u>	<u>100</u>

18. Amount willing to pay for day care per week

	N	%
0-19	58	13
20-20	136	30
30-30	100	22
40+	81	18
Missing	76	17
	<u>451</u>	<u>100</u>

19. Satisfaction

	Very Satisfied		Satisfied		Not Satisfied		No Response	
	N	%	N	%	N	%	N	%
Cost	238	53	196	43	16	4	1	-
Quality	346	77	105	23	-	-	-	-
Building	300	67	138	30	12	3	1	-
Activity	337	75	103	23	10	2	1	-
Distance	292	65	142	31	17	4	-	-
Schedule	313	69	124	27	9	2	5	-

TABLE 3.4.4: Employers By Type and State**

STATE	MFG		RW		SE		PS		TOTAL	
	N	%	N	%	N	%	N	%	N	%
Alabama	9	3	3	1	6	2	5	2	23	8
Georgia	16	6	2	1	9	3	8	3	35	12
Kentucky	6	2	4	1	13	4	9	3	32	11
Maryland	4	1	0	0	2	1	3	1	9	3
Mississippi	5	2	5	2	4	1	7	2	21	7
New York	8	3	4	1	7	2	5	2	24	8
North Carolina	5	2	3	1	7	2	4	1	19	6
Ohio	11	4	4	1	10	3	11	4	36	12
Pennsylvania	8	3	1	*	4	1	3	1	16	6
South Carolina	1	*	0	0	1	*	2	1	4	1
Tennessee	6	2	3	1	7	2	1	*	17	6
Virginia	5	2	1	*	8	3	3	1	17	6
West Virginia	<u>12</u>	<u>4</u>	<u>2</u>	<u>1</u>	<u>12</u>	<u>4</u>	<u>9</u>	<u>3</u>	<u>35</u>	<u>12</u>
TOTAL	96	33	32	11	90	31	70	24	288	100

NOTE: (*) less than 1 percent.

**MFG = Manufacturing
 RW = Retail/Wholesale
 SE = Service
 PS = Public Sector

TABLE 3.4.5: Employers By Type and By Number of Employees

Type	Number of Employees:						Total N
	0-199		200-499		500+		
	N	%	N	%	N	%	
MFG.	27	9	29	10	38	13	94
RW	18	6	6	2	7	2	31
SE	23	11	24	8	33	11	90
PS	<u>28</u>	<u>10</u>	<u>22</u>	<u>8</u>	<u>19</u>	<u>6</u>	<u>69</u>
TOTAL	106	37	81	28	97	34	284

Missing cases: 4

TABLE 3.4.6: Employers By Type and By Percent Female Employees

<u>Type</u>	<u>0-24</u>		<u>Percent Female Employees:</u>				<u>75-100</u>		<u>Total</u> <u>N</u>
	<u>N</u>	<u>%</u>	<u>25-49</u>		<u>50-74</u>		<u>N</u>	<u>%</u>	
MFG	14	5	21	7	28	10	27	9	90
RW	9	3	7	2	6	2	9	3	31
SE	6	2	5	2	14	5	64	22	89
PS	<u>2</u>	<u>1</u>	<u>20</u>	<u>7</u>	<u>41</u>	<u>14</u>	<u>3</u>	<u>1</u>	<u>66</u>
TOTAL	31	11	53	18	89	31	103	36	276

Missing cases: 12

TABLE 3.4.7: Employers By Type and By Percent Employees Younger Than 35 Years

Type	0-24		25-49		50-75		75-100		Total
	N	%	N	%	N	%	N	%	N
MFG	11	4	29	10	38	13	7	2	85
RW	4	1	9	3	11	4	5	2	29
SE	4	1	20	7	53	18	8	3	85
PS	<u>6</u>	<u>2</u>	<u>35</u>	<u>12</u>	<u>21</u>	<u>7</u>	<u>-</u>	<u>0</u>	<u>62</u>
TOTAL	25	9	93	32	123	43	20	7	261

Missing cases: 27

TABLE 3.4.8: Employers By Type and By Number of Work Shifts

Type	Number of Work Shifts:						Total N
	1		2		3		
	N	%	N	%	N	%	
MFG	36	12	16	6	40	14	92
RW*	13	4	9	3	9	3	31
SE	24	8	5	2	59	20	88
PS	<u>43</u>	<u>15</u>	<u>9</u>	<u>3</u>	<u>12</u>	<u>4</u>	<u>64</u>
TOTAL	116	40	39	14	120	42	275

Missing cases: 13

TABLE 3.4.9: Employers By Type and By Status in Community

Type	Status in Community:						Total N
	Major		Medium		Small		
	N	%	N	%	N	%	
MFG	61	21	26	9	8	3	95
RW	9	3	18	6	5	2	32
SE	51	18	33	11	5	2	89
PS	<u>29</u>	<u>10</u>	<u>32</u>	<u>11</u>	<u>8</u>	<u>3</u>	<u>69</u>
TOTAL	150	52	109	38	26	9	285

Missing cases: 3

TABLE 3.4.10: Employers By Status in Community and By Size of Community

Size (in thousands)	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
50+	32	11	19	6	6	2	57	20
25-49	21	7	43	15	6	2	70	24
10-24	43	15	32	11	8	3	83	29
0-10	<u>54</u>	<u>19</u>	<u>14</u>	<u>5</u>	<u>5</u>	<u>2</u>	<u>73</u>	<u>25</u>
TOTAL	150	52	108	38	25	9	283	98

Missing cases: 5

TABLE 3.4.11: Employers By Status in Community and By
Local Control Over Benefits

Status in Community	Local Control:				Total	
	Yes		No			
	N	%	N	%	N	%
Major	94	33	51	18	145	50
Medium	67	23	37	13	104	36
Small	<u>13</u>	<u>4</u>	<u>10</u>	<u>3</u>	<u>23</u>	<u>8</u>
TOTAL	174	60	98	34	272	94

Missing cases: 16 6

TABLE 3.4.12: Employer Involvement and Interest By Type of Employer

ALTERNATIVE WORK SCHEDULES

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	11	12	12	39	41	46	20	29	84	29
Would consider	25	28	4	13	25	28	23	34	77	27
Would not consider	53	60	15	48	22	25	25	37	115	40
TOTAL	89	100	31	100	88	99	68	100	276	96
							Missing		12	4

SURVEY LOCAL CHILD CARE RESOURCES

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	8	9	6	20	24	28	24	36	62	22
Would consider	59	67	16	53	50	57	32	48	157	54
Would not consider	21	24	8	27	13	15	11	16	53	18
TOTAL	88	100	30	100	87	100	67	100	272	94
							Missing		16	6

CONDUCT EMPLOYEE NEEDS ASSESSMENT

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	4	4	3	10	18	20	13	19	38	13
Would consider	63	72	17	57	59	66	48	70	187	65
Would not consider	21	24	10	33	12	13	7	10	50	18
TOTAL	88	100	30	100	89	99	68	99	275	96
							Missing		13	4

INFORMATION AND REFERRAL SERVICES

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	8	9	2	6	13	14	12	17	35	12
Would consider	59	69	22	71	60	69	43	70	189	66
Would not consider	19	22	7	22	14	16	9	13	49	17
TOTAL	86	100	31	99	87	99	69	100	273	95
							Missing		15	5

TABLE 3.4.12: Employer Involvement and Interest by Type of Employer (cont'd)

SUPPORT LOCAL CHILD CARE PROGRAM

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	2	2	2	7	4	4	8	12	16	6
Would consider	33	40	8	27	40	45	12	18	93	32
Would not consider	48	58	20	57	44	50	46	70	158	55
TOTAL	83	100	30	101	88	99	66	100	267	93
							Missing		21	7

FLEXIBLE BENEFITS

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	0	0	0	0	1	1	1	2	2	1
Would consider	27	30	5	17	41	48	22	34	95	33
Would not consider	62	70	25	83	43	50	41	64	171	59
TOTAL	89	100	30	100	85	99	64	100	268	93
							Missing		20	7

ENROLLMENT SUBSIDIES

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	0	0	0	0	0	0	2	3	2	1
Would consider	18	21	4	12	32	37	10	16	64	22
Would not consider	66	79	28	88	54	63	52	81	200	69
TOTAL	84	99	32	100	86	100	64	100	266	92
							Missing		22	8

SPONSOR CHILD CARE CENTER

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	0	0	0	0	4	5	9	14	13	4
Would consider	19	22	4	12	29	34	15	23	57	23
Would not consider	66	78	28	88	53	62	40	62	187	65
TOTAL	85	100	32	100	86	101	64	99	267	92
							Missing		21	7

TABLE 3.4.13: Employer Involvement and Interest by Number of Employees

ALTERNATIVE WORK SCHEDULES

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Done/doing	25	24	18	23	41	44	84	29
Would consider	31	30	26	34	19	21	76	26
Would not consider	<u>49</u>	<u>45</u>	<u>33</u>	<u>43</u>	<u>32</u>	<u>35</u>	<u>114</u>	<u>40</u>
TOTAL	105	99	77	100	92	100	274	95
						Missing	14	5

SURVEY LOCAL CHILD CARE RESOURCES

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Done/doing	18	17	16	22	28	30	62	22
Would consider	59	57	45	61	52	56	156	54
Would not consider	<u>27</u>	<u>26</u>	<u>13</u>	<u>18</u>	<u>13</u>	<u>14</u>	<u>53</u>	<u>18</u>
TOTAL	104	100	74	101	93	100	271	94
						Missing	17	6

CONDUCT EMPLOYEE NEEDS ASSESSMENT

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Done/doing	9	9	10	12	19	20	38	13
Would consider	68	67	56	74	62	64	186	64
Would not consider	<u>25</u>	<u>24</u>	<u>10</u>	<u>13</u>	<u>15</u>	<u>16</u>	<u>50</u>	<u>17</u>
TOTAL	102	100	76	100	96	100	274	94
						Missing	14	5

INFORMATION AND REFERRAL SERVICES

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Done/doing	10	10	9	12	16	17	35	12
Would consider	66	64	54	72	67	72	187	65
Would not consider	<u>27</u>	<u>26</u>	<u>12</u>	<u>16</u>	<u>10</u>	<u>11</u>	<u>49</u>	<u>17</u>
TOTAL	103	100	75	100	93	100	271	94
						Missing	17	6

TABLE 3.4.13: Employer Involvement and Interest by Number of Employees
(cont'd)

SUPPORT LOCAL CHILD CARE PROGRAM

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Done/doing	6	6	5	7	5	5	16	6
Would consider	27	27	25	34	40	44	95	33
Would not consider	<u>68</u>	<u>67</u>	<u>44</u>	<u>50</u>	<u>46</u>	<u>50</u>	<u>158</u>	<u>55</u>
TOTAL	101	100	74	100	91	99	266	92
						Missing	22	8

FLEXIBLE BENEFITS

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Done/doing	1	1	0	0	1	1	2	1
Would consider	29	28	26	34	40	44	95	33
Would not consider	<u>72</u>	<u>70</u>	<u>50</u>	<u>66</u>	<u>50</u>	<u>55</u>	<u>172</u>	<u>60</u>
TOTAL	102	99	76	100	91	100	269	93
						Missing	19	6

ENROLLMENT SUBSIDIES

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Done/doing	1	1	1	1	0	0	2	1
Would consider	18	18	19	25	26	28	63	22
Would not consider	<u>82</u>	<u>81</u>	<u>55</u>	<u>73</u>	<u>65</u>	<u>71</u>	<u>202</u>	<u>70</u>
TOTAL	101	100	75	99	91	99	267	93
						Missing	21	7

SPONSOR CHILD CARE CENTER

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Done/doing	4	4	4	5	5	5	13	4
Would consider	19	19	18	24	29	31	66	22
Would not consider	<u>76</u>	<u>77</u>	<u>52</u>	<u>70</u>	<u>59</u>	<u>63</u>	<u>187</u>	<u>65</u>
TOTAL	99	100	74	99	93	99	266	92
						Missing	22	8

TABLE 3.4.14: Employer Involvement and Interest by Percentage of Female Employees

ALTERNATIVE WORK SCHEDULES

	0-24		25-49		50-74		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	3	10	15	30	25	29	38	38	81	28
Would consider	3	10	13	26	32	38	26	26	74	26
Would not consider	25	81	22	44	28	33	37	37	112	39
TOTAL	31	101	50	100	85	100	101	101	267	93
							Missing		21	7

SURVEY LOCAL CHILD CARE RESOURCES

	0-24		25-49		50-74		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	2	8	10	20	24	27	26	28	62	22
Would consider	14	58	31	62	49	56	56	61	150	52
Would not consider	8	33	9	18	15	17	10	11	42	14
TOTAL	24	99	50	100	88	100	92	100	254	88
							Missing		34	12

CONDUCT EMPLOYEE NEEDS ASSESSMENT

	0-24		25-49		50-74		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	0	0	7	14	14	16	17	17	38	13
Would consider	15	50	36	70	62	70	68	69	181	63
Would not consider	15	50	8	16	12	14	14	14	49	17
TOTAL	30	100	51	100	88	100	99	100	268	93
							Missing		20	7

INFORMATION AND REFERRAL SERVICES

	0-24		25-49		50-74		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	1	3	6	12	15	18	13	13	35	12
Would consider	16	52	38	74	55	65	71	73	180	62
Would not consider	14	45	7	14	15	18	13	13	49	17
TOTAL	31	100	51	100	85	101	97	99	264	92
							Missing		24	8

TABLE 3.4.14: Employer Involvement and Interest by Percentage of Female Employees
(cont'd)

SUPPORT LOCAL CHILD CARE PROGRAM

	0-24		25-49		50-74		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	0	0	1	2	9	10	5	5	15	5
Would consider	6	19	18	40	33	38	34	35	92	32
Would not consider	25	81	26	58	45	52	58	60	154	53
TOTAL	31	100	45	100	87	100	97	100	260	90
							Missing		28	10

FLEXIBLE BENEFITS

	0-24		25-49		50-74		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	0	0	0	0	1	1	1	1	2	1
Would consider	3	10	14	29	36	41	37	38	90	31
Would not consider	28	90	34	71	51	58	58	60	171	59
TOTAL	31	100	48	100	88	100	96	99	263	91
							Missing		25	9

ENROLLMENT SUBSIDIES

	0-24		25-49		50-74		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	0	0	0	0	2	2	0		2	1
Would consider	2	7	12	25	22	26	26		62	22
Would not consider	28	93	36	75	62	72	71		197	68
TOTAL	30	100	48	100	86	100	98		261	91
							Missing		27	9

SPONSOR CHILD CARE CENTER

	0-24		25-49		50-74		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Done/doing	0	0	3	6	6	7	4	4	13	4
Would consider	1	3	6	12	28	33	30	31	65	22
Would not consider	30	97	39	81	50	60	62	64	181	63
TOTAL	31	100	48	99	84	100	96	99	259	90
							Missing		29	10

TABLE 3.4.15: Employer Involvement and Interest by Status in Community

ALTERNATIVE WORK SCHEDULES

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Done/doing	53	37	24	23	7	27	84	29
Would consider	39	27	32	31	6	23	77	27
Would not consider	52	36	48	46	13	50	113	39
TOTAL	144	100	104	100	26	100	274	95
						Missing	14	5

SURVEY LOCAL CHILD CARE RESOURCES

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Done/doing	40	28	18	17	5	19	63	22
Would consider	79	55	65	63	13	50	157	54
Would not consider	25	17	20	19	8	31	53	18
TOTAL	144	100	103	99	26	100	273	95
						Missing	15	5

CONDUCT EMPLOYEE NEEDS ASSESSMENTS

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Done/doing	22	15	13	13	3	12	38	13
Would consider	101	70	70	68	15	58	186	64
Would not consider	22	15	20	19	8	31	50	17
TOTAL	145	100	103	100	26	101	274	94
						Missing	14	5

INFORMATION AND REFERRAL SERVICES

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Done/doing	23	16	9	9	3	12	35	12
Would consider	97	69	75	72	15	58	187	65
Would not consider	21	15	20	19	8	31	49	17
TOTAL	141	100	104	100	26	101	271	94
						Missing	17	6

TABLE 3.4.15: Employer Involvement and Interest by Status in Community
(cont'd)

FLEXIBLE BENEFITS

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Done/doing	1	1	1	1	0	0	2	1
Would consider	55	40	32	31	8	31	95	33
Would not consider	83	60	71	68	18	69	172	60
TOTAL	139	101	104	100	26	100	269	94
						Missing	19	6

ENROLLMENT SUBSIDIES

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Done/doing	0	0	1	1	0	0	1	*
Would consider	38	28	18	18	7	28	63	22
Would not consider	100	72	83	81	18	72	201	70
TOTAL	138	100	102	100	25	100	265	92
						Missing	23	8

SPONSOR CHILD CARE CENTER

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Done/doing	7	5	4	4	2	8	13	4
Would consider	48	34	15	15	4	17	67	23
Would not consider	88	62	80	81	18	75	186	64
TOTAL	143	101	99	100	24	100	266	91
						Missing	22	8

TABLE 3.4.16: Employer Knowledge and Interest in Child Care by Type of Employer

NEEDS DETERMINATIONS

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Know	14	16	4	13	19	21	14	21	51	18
Would like to know	48	55	11	37	52	58	41	62	152	53
No interest	25	29	15	50	18	20	11	17	272	24
TOTAL	87	100	30	100	89	99	66	100	272	95
							Missing		16	6

EMPLOYER OPTIONS

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Know	12	14	3	10	10	12	12	17	37	13
Would like to know	51	59	14	48	63	73	48	70	176	61
No interest	23	27	12	41	13	15	9	13	57	20
TOTAL	86	100	29	99	86	100	69	100	270	94
							Missing		18	6

EMPLOYER EXPERIENCE

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Know	5	6	3	10	7	8	7	11	22	8
Would like to know	63	72	17	55	65	74	48	73	193	67
No interest	19	22	11	35	16	18	11	17	57	20
TOTAL	87	100	31	100	88	100	66	101	272	95
							Missing		16	6

TAX CONSIDERATIONS

	MFG		RW		SE		PS		Total	
	N	%	N	%	N	%	N	%	N	%
Know	2	2	2	7	6	7	4	6	14	5
Would like to know	62	70	18	60	46	56	26	43	152	53
No interest	25	28	10	33	30	36	31	51	96	33
TOTAL	89	100	30	100	82	99	61	100	262	91
							Missing		26	9

TABLE 3.4.16: Employer Knowledge and Interest in Child Care by Type of Employer
(cont'd)

PROGRAM OPERATIONS

	MFG		RW		SE		PS		Total	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Know	4	4	1	3	7	8	7	11	19	6
Would like to know	62	70	17	59	60	68	47	71	186	65
No interest	<u>22</u>	<u>25</u>	<u>11</u>	<u>38</u>	<u>21</u>	<u>24</u>	<u>12</u>	<u>18</u>	<u>66</u>	<u>23</u>
TOTAL	88	99	29	100	88	100	66	100	271	93
							Missing		17	6

TABLE 3.4.17: Employer Knowledge and Interest by Number of Employees

NEEDS DETERMINATIONS

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Know	19	19	13	17	19	21	51	18
Would like to know	44	43	46	60	61	66	151	52
No interest	39	38	18	23	12	13	69	24
TOTAL	102	100	77	100	92	100	271	94
						Missing	17	6

EMPLOYER OPTIONS

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Know	16	15	9	12	12	13	37	13
Would like to know	57	55	51	70	67	73	175	61
No interest	31	30	13	18	13	14	57	20
TOTAL	104	100	73	100	92	100	269	94
						Missing	19	6

EMPLOYER EXPERIENCE

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Know	9	9	5	6	8	8	22	6
Would like to know	61	60	57	75	74	79	192	67
No interest	31	31	14	18	12	13	57	20
TOTAL	101	99	76	99	94	100	271	95
						Missing	17	6

TAX CONSIDERATIONS

	0-199		200-499		500+		Total	
	N	%	N	%	N	%	N	%
Know	4	4	4	6	6	6	14	5
Would like to know	52	54	41	57	57	63	150	52
No interest	41	42	27	38	28	31	96	33
TOTAL	97	100	72	101	91	100	260	90
						Missing	28	10

TABLE 3.4.17: Employer Knowledge and Interest by Number of Employees
(cont'd)

PROGRAM OPERATIONS

	0-199		200-499		500+		Total	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Know	6	6	6	8	7	7	19	6
would like to know	61	62	56	73	68	72	185	64
No interest	<u>32</u>	<u>32</u>	<u>15</u>	<u>19</u>	<u>19</u>	<u>20</u>	<u>66</u>	<u>23</u>
TOTAL	99	100	77	100	94	99	270	93
						Missing	18	6

TABLE 3.4.18: Employer Knowledge and Interest in Child Care by Percentage of Female Employees

NEEDS DETERMINATION

	0-24		25-49		50-75		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Know	4	13	7	14	16	19	24	24	51	18
Would like to know	8	25	29	58	56	65	55	54	148	51
No interest	<u>19</u>	<u>61</u>	<u>14</u>	<u>28</u>	<u>14</u>	<u>16</u>	<u>22</u>	<u>22</u>	<u>69</u>	<u>24</u>
TOTAL	31	99	50	100	86	100	101	100	268	93
							Missing		20	7

EMPLOYER OPTIONS

	0-24		25-49		50-75		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Know	4	13	7	14	10	12	16	16	37	13
Would like to know	11	35	29	60	62	74	68	67	170	59
No interest	<u>16</u>	<u>52</u>	<u>12</u>	<u>25</u>	<u>12</u>	<u>14</u>	<u>17</u>	<u>17</u>	<u>57</u>	<u>20</u>
TOTAL	31	100	48	99	84	100	101	100	264	92
							Missing		24	8

EMPLOYER EXPERIENCE

	0-24		25-49		50-75		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Know	3	10	4	8	6	7	9	9	22	8
Would like to know	13	43	35	69	65	76	74	74	187	65
No interest	<u>14</u>	<u>47</u>	<u>12</u>	<u>24</u>	<u>14</u>	<u>16</u>	<u>17</u>	<u>17</u>	<u>57</u>	<u>20</u>
TOTAL	30	100	51	101	85	99	100	100	266	92
							Missing		22	8

TABLE 3.4.18: Employer Knowledge and Interest in Child Care by Percentage of Female Employees (cont'd)

TAX CONSIDERATIONS

	0-24		25-49		50-75		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Know	1	3	1	2	3	4	9	9	14	5
Would like to know	14	45	30	62	51	61	53	56	148	51
No interest	<u>16</u>	<u>52</u>	<u>17</u>	<u>35</u>	<u>29</u>	<u>35</u>	<u>33</u>	<u>35</u>	<u>95</u>	<u>33</u>
TOTAL	31	100	48	99	83	100	95	100	257	89
							Missing		31	11

PROGRAM OPERATIONS

	0-24		25-49		50-75		75-100		Total	
	N	%	N	%	N	%	N	%	N	%
Know	1	3	2	4	6	7	10	10	19	6
Would like to know	14	48	34	67	66	77	67	67	181	63
No interest	<u>14</u>	<u>48</u>	<u>15</u>	<u>29</u>	<u>14</u>	<u>16</u>	<u>23</u>	<u>23</u>	<u>66</u>	<u>23</u>
TOTAL	29	99	51	100	86	100	100	100	266	92
							Missing		22	8

TABLE 3.4.19: Employer Knowledge and Interest by Status in Community

NEEDS DETERMINATIONS

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Know	31	22	14	13	6	23	51	18
Would like to know	85	60	58	56	8	31	151	52
No interest	25	18	32	31	12	46	69	24
TOTAL	141	100	104	100	26	100	271	94
					Missing		17	6

EMPLOYER OPTIONS

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Know	21	15	10	10	5	19	36	12
Would like to know	98	70	67	66	10	38	175	61
No interest	21	15	25	24	11	42	57	20
TOTAL	140	100	102	100	26	99	268	93
					Missing		20	7

EMPLOYER EXPERIENCE

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Know	11	8	8	8	3	12	22	8
Would like to know	111	78	69	67	12	48	192	67
No interest	21	15	26	25	10	40	57	20
TOTAL	143	101	103	100	25	100	271	94
					Missing		17	6

TABLE 3.4.19: Employer Knowledge and Interest by Status in Community
(cont'd)

TAX CONSIDERATIONS

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Know	8	6	3	3	3	13	14	5
Would like to know	77	57	62	62	8	35	147	51
No interest	<u>49</u>	<u>36</u>	<u>35</u>	<u>35</u>	<u>12</u>	<u>52</u>	<u>96</u>	<u>33</u>
TOTAL	134	99	100	100	23	100	257	89
						Missing	31	11

PROGRAM OPERATIONS

	Major		Medium		Small		Total	
	N	%	N	%	N	%	N	%
Know	10	7	7	7	2	8	19	6
Would like to know	104	74	69	66	12	50	185	64
No interest	<u>27</u>	<u>19</u>	<u>28</u>	<u>27</u>	<u>10</u>	<u>42</u>	<u>65</u>	<u>22</u>
TOTAL	141	100	104	100	24	100	269	93
						Missing	19	6

**TABLE 3.4.20: Employer Perceptions of the Effect of Child Care
By Type of Employer**

<u>Problem</u>	<u>MFG</u>		<u>RW</u>		<u>SE</u>		<u>PS</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Absenteeism:										
Yes	50	57	16	55	61	73	39	59	166	58
No	38	43	13	45	22	26	27	41	100	35
TOTAL	88	100	29	100	83	100	66	100	266	93
							Missing		22	8
Recruitment:										
Yes	30	36	13	45	55	65	33	51	131	45
No	53	64	16	55	30	35	32	49	131	45
TOTAL	83	100	29	100	85	100	65	100	262	90
							Missing		26	9
Productivity:										
Yes	32	40	11	38	46	58	32	51	121	42
No	47	59	18	62	34	42	31	49	130	45
TOTAL	79	99	29	100	80	100	63	100	251	87
							Missing		37	13
Morale:										
Yes	47	57	12	44	54	69	39	62	152	53
No	35	43	15	55	24	31	24	38	98	34
TOTAL	82	100	27	99	78	100	63	100	250	87
							Missing		38	13

TABLE 3.4.21: Employer Interest in a Local Conference
By Size of Community

Size (in thousands)	Yes		No		Total	
	N	%	N	%	N	%
50+	35	69	16	31	51	18
25-49	28	49	29	51	57	20
10-24	44	63	26	37	70	24
0-9	<u>36</u>	58	<u>26</u>	42	<u>62</u>	22
TOTAL	143	50	97	34	240	84
					Missing	48 17

TABLE 4.2.1: Estimated Federal Tax Savings From a Salary Reduction Program (SR) For a Family of Four Filing Jointly in 1982

Tax Without Salary Reduction

Adjusted Gross Income	10,000	15,000	20,000	25,000	30,000	35,000	40,000	50,000	60,000	70,000	100,000
Exemptions	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Taxable Income	6,000	11,000	16,000	21,000	26,000	31,000	36,000	46,000	56,000	66,000	96,000
Tax Before Credit	322	1,090	2,013	3,137	4,443	5,937	7,635	11,545	15,945	20,645	35,449
Child Care Credit	720	648	600	528	480	480	480	480	480	480	480
Tax	0	442	1,413	2,609	3,963	5,457	7,155	11,065	15,465	20,165	34,969

Tax With Salary Reduction

Taxable Income	3,600	8,600	13,600	18,600	23,600	28,600	33,600	43,600	53,600	63,600	93,600
Tax	24	706	1,557	2,585	3,787	5,197	6,795	10,599	14,889	19,469	34,249

Tax Savings With Salary Reduction

Tax Savings	[24]	[264]	[144]	24	176	260	360	466	576	696	720
FICA Savings	160	160	160	160	160	0	0	0	0	0	0
TOTAL SAVINGS	136	[104]	16	184	336	260	360	466	576	696	720

NOTES:

- o 1982 Tax Rate Tables - Married Individuals Filing Joint Returns
- o 1982 Child Care Tax Credit based upon \$2,400 in qualifying expenses
- o Family of four with one dependent child qualifying for credit
- o Child Care Expenses of \$2,400 for one qualifying child
- o Salary Reduction of \$2,400 elected
- o Assumes no tax deductions
- o 1982 FICA: 6.7% of gross up to \$32,400

TABLE 4.2.2: Estimated Federal Tax Savings from a Salary Reduction Program (SR) For a Family of Two Filing Using Head of Household Tables in 1982

Tax Without Salary Reduction

Adjusted Gross Income	10,000	15,000	20,000	25,000	30,000	40,000
Exemptions	2,000	2,000	2,000	2,000	2,000	2,000
Taxable Income	8,000	13,000	18,000	23,000	28,000	38,000
Tax Before Credit	786	1,782	2,912	4,302	5,882	9,751
Child Care Credit	720	648	600	528	480	480
Tax	66	1,134	2,312	3,774	5,402	9,271

Tax With Salary Reduction

Taxable Income	5,600	10,600	15,600	20,600	25,600	35,600
Tax	420	1,278	2,360	3,630	5,114	8,767
Tax Savings With Salary Reduction	0	0	0	0	0	0
Tax Savings	[354]	[144]	[48]	144	288	504
FICA Savings	160	160	160	160	160	0
TOTAL SAVINGS	[194]	16	112	304	448	504

NOTES:

- o 1982 Tax Rate Tables - Head of Household
- o 1982 Child Care Tax Credit based upon \$2,400 in qualifying expenses
- o Family of two with one dependent child qualifying for credit
- o Child Care Expenses of \$2,400 for one qualifying child
- o Salary Reduction of \$2,400 elected
- o Assumes no tax deductions
- o 1982 FICA: 6.7% of gross up to \$32,400

APPENDIX B

EXHIBITS

ADVISORY PANEL LIST

Ms. Abbie Dodge
Director
Broadcasters Child Development Center
3920 Alton Place, NW
Washington, DC 20016
W-202-686-7272

Ms. Dana E. Friedman
Carnegie Corporation
437 Madison Avenue
New York, NY 1009
W-212-371-3200

Ms. Sarah B. Hardy
2908 Knightbridge Road
Columbia, SC 29206
W-803-788-2774

Ms. Charlotte B. Helm
Director
Preschool Nursery
Grace Methodist Church
191 Bridge Street
Corning, NY 14830
H-607-962-0283

Ms. Kathryn Perry
5346 North Hollywood Avenue
Milwaukee, WI 53217
W-414-964-6408

Mr. Donald Lee Shearer
Administrator
ACTWU Child Day Care Centers
10077 Red Maple Lane
Shippensburg, PA 17257
W-717-264-3822

TAX FREE CHILD CARE EMPLOYEE BENEFIT POSSIBLE
EFFECTIVE JANUARY 1, 1982

The Economic Recovery Tax Act of 1981 (ERTA) establishes a new category of tax free employees' benefits entitled "Dependent Care Assistance Programs." These new programs join more traditional benefits, such as medical and dental plans, life insurance, group legal service plans, tuition assistance programs and others as tax free benefits so long as the implementation requirements are met.

Prior to the passage of ERTA, there was considerable confusion surrounding the tax status of a child care benefit paid or made available to an employee by an employer. Many experts feared that, absent a clarifying statute, the value of employer-provided child care payments, services or vouchers would be included in the employee's gross income--and taxed! This problem is solved by the new law--at least for those programs which comply with its terms.

The provisions of the new Dependent Care Assistance Programs are found at Internal Revenue Code Section 129. The basic requirements for the program are:

• EMPLOYER REQUIREMENTS

The employer must prepare a separate written plan of the dependent care assistance program. The program must be for the exclusive benefit of its employees to provide employees with dependent care assistance.

The program must not discriminate in favor of employees who are officers, owners or highly compensated or their dependents. This limitation is further refined to prohibit an employer from spending more than 25 percent of the amount paid for dependent care assistance on behalf of individuals who hold more than 5 percent of the stock or capital or profits interest in the employer company.

The employer must notify eligible employees of the availability and terms of the program.

Each year the employer must give the employee a written statement showing the amounts paid or expenses incurred by the employer in providing dependent care assistance to each employee.

The amounts paid under this program are excluded from consideration with respect to social security, F.I.C.A., and F.U.T.A.

• EMPLOYEE REQUIREMENTS

A single employee may not exclude from income an amount larger than the amount earned during the year. Thus, for example, if a part-time employee earned \$4,000 and received a child care benefit of \$5,000, the employee would have to pay tax on the \$1,000 difference.

NOTE: Reprinted with permission from Bay Area Child Care Law Project, San Francisco, California. Telephone: 415-495-5498.

In the case of married employees, the excluded income can not exceed the earned income of the lesser earning spouse. This means that an employee with a non-working spouse will have to pay taxes on the total value of a child care benefit.

However, a spouse who is a full-time student for at least 5 months during the year or who is disabled will be assumed to have earned \$200 per month if there is one child or \$400 per month if there are two or more children. Consequently, a student or disabled spouse may "accure" up to a maximum of \$2,400 or \$4,800 worth of excludable income.

- PROVIDER REQUIREMENTS

The caregiver may be any person except a person for whom the employee or the employee's spouse is permitted to take a personal exemption deduction or a person who is the employee's child age 18 or less.

Thus, the caregiver can not be the spouse of the employee or an older sibling of the care-for child.

Unlike the child care credit, this statute does not require that the program meet state or local regulations.

Note: The Internal Revenue Service will be developing regulations which may further define and limit these provisions.

EXPANDED CHILD CARE TAX CREDIT
EFFECTIVE JANUARY 1, 1982

Beginning January 1, 1982, working parents will be able to claim a larger federal child care tax credit as a result of the Economic Recovery Tax Act of 1981 (Internal Revenue Code Section 44A). The new law, which primarily benefits families with adjusted gross income between \$10,000 - \$20,000, provides an increased credit to all eligible taxpayers. The new provisions do not apply to expenditures for dependent care made during 1981. Many states, including California provide a dependent care credit for state tax purposes. The key components of the new federal act are:

- INCREASED EXPENSE LIMITS: The new law provides the maximum expense against which the appropriate percentage credit may be taken will be \$2,400 for one child or dependent and \$4,800 for two or more. (The current limits are \$2,00 and \$4,000 respectively.)
- SLIDING CREDIT PERCENTAGE: The new law established a three-tiered basis for determining the percentage of the child care credit, keyed to the family's adjusted gross income:
 1. Under \$10,000: 30 percent
 2. \$10,001 through \$28,000: Sliding credit ranging from 29 percent to 21 percent, the credit being reduced by 1 percent for each \$2,000 of adjusted gross income, or fraction thereof, over \$10,000.
 3. Over \$28,000: 20 percent

The following chart shows the dollar amount of credits available at different income levels under the new law:

Adjust Gross Income	Percentage	Maximum Credits	
		One Child Or Dependent	Two or More Children or Dependents
Up to \$10,000	30	\$720	\$1,440
10,001 - 12,000	29	696	1,392
12,001 - 14,000	28	672	1,344
14,001 - 16,000	27	648	1,296
16,001 - 18,000	26	624	1,248
18,001 - 20,000	25	600	1,200
20,001 - 22,000	24	576	1,162
22,001 - 24,000	23	552	1,104
24,001 - 26,000	22	528	1,056
26,001 - 28,000	21	504	1,008
28,001 and over	20	480	960

Note: Reprinted with permission from Bay Area Child Care Law Project, San Francisco, California. Telephone: 415-495-5498.

The major requirements of the new law are:

1. PROVIDER REQUIREMENTS: The new law provides that a program serving six or more persons must comply with state and local laws and regulations in order for the parents' payments to it to be eligible for the child care tax credit.

The caregiver may not be a child of the taxpayer under the age of 18 or a person the taxpayer claims as a dependent.

2. TAXPAYER REQUIREMENTS: Generally speaking, the person claiming the deduction must be employed with income in excess of the expense limits of \$2,400 or \$4,800, depending on the number of dependents.

The child care costs of married employees are limited to the amount of income earned by the lesser earning spouse. Thus, if a married mother with two children in day care earns less than \$4,800 (and her husband earns more), their child care expenses will be limited to the amount she earned.

If one spouse is not working, the credit is not allowed unless the non-working spouse is a full-time student for at least 5 months during the year, or is physically or mentally disabled. If the spouse is a student or disabled, the law assumes an earned income for each month of being disabled or in school of \$200 for one dependent or \$400 for two or more dependents.

3. DEPENDENT ADULTS: In addition to permitting a credit for the costs of care of children, the new law provides that the cost of care of disabled persons over the age of 14 is subject to the credit as long as the dependent spends at least 8 hours of every day in the taxpayer's home. In other words, the credit is available for the costs of out-of-home day care for dependent adults, but not for residential care. The old law limited the adult dependent care credit to expenses for care provided in the taxpayer's home.

Like child care centers, dependent care centers for 6 or more adults must comply with state and local laws and regulations in order for the costs to be subject to the credit.

4. EMPLOYER-PROVIDED BENEFITS EXCLUDED: If an employee receives tax free child care services or subsidy from an employer through a dependent care assistance plan, the credit is not allowed with respect to the value of the benefit received. For example, if an employer pays \$1,000 of an employee's total child care costs of \$2,400, the employee may take the credit only against the \$1,400 paid by the employee.

5. EXTRA INCOME EVERY PAYCHECK: Taxpayers who believe they will qualify for the tax credit may wish to revise their Tax Withholding Form (W-4) to permit them to receive the value of the credit in their regular paychecks rather than waiting to claim the credit at the end of the year on their income tax form. Taxpayers should contact their employer, the IRS information service and/or the person who prepares their tax return to obtain details.

6. NON-REFUNDABLE: The credit is non-refundable, which means that the IRS will not issue a refund to a taxpayer whose child care tax credit exceeds the amount of income tax owed. For example, a taxpayer whose tax liability is \$300 and is entitled to a \$480 child care tax credit can use the credit to offset the entire \$300, thus paying no tax for the year. The taxpayer will not, however, receive a \$180 refund for the "unused" portion of the credit.

EMPLOYER SUPPORTED CHILD CARE PROGRAMS
IN THE APPALACHIAN REGION

Huntsville Hospital Child Care Center
324½ Lowell Drive
Huntsville, AL 35801
Telephone: 205/533-8862
Director: Ms. Brenda Webb
Enrollment: 45 - ages 3 months - 6 years
Sponsor: Hospital

The Corning Childrens Center
P.O. Box 11
Corning, NY 14830
Telephone: 607/937-5502
Director: Ms. Sonia Werner
Enrollment: 24 - ages 3 to 5 years
Sponsor: Manufacturer

Hall County Hospital Child Care Center
743 Spring Street
Gainsville, GA 30501
Telephone: 404/535-3553 ext. 1170
Director: Ms. Lynne Bradford
Enrollment: 60 - ages 6 weeks-5 years
Sponsor: Hospital

Westfield Day Care and Rural Child
Development Center
5 South Portage Street
Westfield, NY
Telephone: 716/326-4338
Director: Ms. Susan Wolfgang
Enrollment: 34 - infants - school age
Sponsor: Food Processor

Hutchinson Memorial Hospital Employee
Child Care Center
100 Cross Crescent Circle
Fort Oglethorpe, GA
Telephone: 404/866-2121 ext. 471
Director: Ms. Sheryl Sandige
Enrollment: 74 - ages 6 weeks - 10 years
Sponsor: Hospital

Louise Child Care Center
Renaissance II
650 Smithfield Street
Pittsburgh, PA 15219
Telephone: 412/661-7340
Director: Mr. Bill Hignett
Enrollment: 20 - 3 months - 2 years
Sponsor: Company Consortium

Jack & Jill Nursery
P.O. Box 7016
Nettleton, MS 38858
Telephone: 601/963-2686
Director: Ms. Linda Gruber
Enrollment: 46 - ages 6 weeks - 5 years
Sponsor: Clothing Manufacturer

Spartenburg General Hospital
Day Care Center
101 Eastwoor Street
Spartenburg, SC 29303
Telephone: 803/573-6160
Director: Ms. Pat Hollon
Enrollment: 95
Sponsor: Hospital

Betty's Think and Do Kindergarden
Nettleton, MS 38858
Telephone: 601/963-3571
Director: Ms. Betty Williams
Enrollment: 5 years
Sponsor: Clothing Manufacturer

Fort Sanders Regional Medical Center
Child Enrichment Center
1909 Clinch Avenue, S.W.
Knoxville, TN 37916
Telephone: 615/546-2811
Director: Ms. Sugar Davis
Enrollment: 71 - ages 6 weeks - 5 years
Sponsor: Hospital

EMPLOYER SUPPORTED CHILD CARE PROGRAMS
IN THE APPALACHIAN REGION (cont'd)

St. Mary's Medical Center
Day Care Center
900 Emerald Avenue
Knoxville, TN 37917
Telephone: 615/971-7919
Director: Ms. Candi Smith
Enrollment: 60 - ages 2 years - 5 years
Sponsor: Hospital

Memorial Hospital Child Care Center, Inc.
602 Wyandot Street
Chattanooga, TN 37404
Telephone: 615/629-5834
Director: Ms. Sally McNair
Enrollment: 60 - ages 6 weeks - 6 years
Sponsor: Hospital

Kindustry
1380 Gunbarrel Road
Chattanooga, TN 37421
Telephone: 615/894-9150
Director: Ms. Paula Burgner
Enrollment: 400/25 Kindustry; ages 6 wks-12 yrs
Sponsor: Hospital

Charleston Area Medical Center
Child Care Center
P.O. Box 1547
Charleston, WV 25326
Telephone: 304/348-7638
Director: Ms. Patricia Ellison
Enrollment: 182 - 3 months - 6 years
Sponsor: Hospital

EMPLOYER SUPPORTED CHILD CARE PROGRAMS SURVEYED

(1)

PCA Child Development Center
801 Crestdale Avenue
Matthews, NC 28105
Telephone: 704/847-8011
Director: Ms. Joan Narron

(6)

A.P. Beutel, II Day Care Center
1912 Victoria Street
Freeport, TX
Telephone: 713/233-8611 ext. 1740
Director: Ms. Alice Duncan

(2)

Baltimore Regional ACTWU Child
Care Centers
c/o Chambusburg Day Care Center
871 Stanley Avenue
Chambusburg, PA 717/264-3822
Telephone: 717/264-3822
Director: Mr. Donald Shearer

(7)

The Corning Childrens Center
P.O. Box 11
Corning, NY 14830
Telephone: 607/937-5502
Director: Ms. Sonia Werner

(3)

Jack and Jill Nursery
Box 7016
Nettleton, MS 38858
Telephone: 601/963-2686
Director: Ms. Joyce Gillentine

(8)

St. Charles Child Development Center
2600 Navarre Avenue
Oregon, OH 43616
Telephone: 419/698-3661
Director: Ms. Marcia DiRosa

(4)

Westfield Day Care and Rural Child
Development Center
5 South Portage Street
Westfield, NY
Telephone: 716/326-4338
Director: Ms. Sue Wolfgang

(9)

Amkora-Ramsey Day Care
Mercy Medical Center
4050 Coon Rapids Blvd.
Coon Rapids, MN 55433
Telephone: 612/427-2200
Director: Ms. Mary Boypon

(5)

Hutchinson Memorial Hospital Employee
Child Care Center
307 Barnhardt Circle
Fort Oglethorpe, GA
Telephone: 404/866-2121 ext. 471
Director: Ms. Sheryl Saudige

(10)

Child Development Center
Spartenburg General Hospital
101 East Wood Street
Spartenburg, SC 29303
Telephone: 803/573-6160
Director: Ms. Patricia Holland

EMPLOYER SUPPORTED CHILD CARE PROGRAMS SURVEYED (cont'd)

(11)

Living and Learning Centers, Inc.
2195 Congress Street
Portland, ME
Telephone: 207/774-7195
Director: Ms. Debbie Tinsley

(16)

Kindustry
1380 Gunbarrel
Chattanooga, TN 37421
Telephone: 615/894-9150
Director: Ms. Paula Burgner

(12)

Charleston Area Medical Center
Child Care Center
P.O. Box 1547
Charleston, WV 25326
Telephone: 304/348-7638
Director: Ms. Patricia Ellison

(17)

Memorial Hospital Child Care Center, Inc.
602 Wyndot Street
Chattanooga, TN
Telephone: 615/629-5834
Director:

(13)

M.O. Thatcher Child Care
Parkview Hospital
Pueblo, CO
Telephone: 303/545-4018
Director: Ms. Martha Kronwitter

(18)

Forsyth Memorial Hospital Day Care
Center
3333 South Silas Creek Parkway
Winston-Salem, NC 27103
Telephone: 919/773-3000
Director: Ms. Carmen Ritchie

(14)

Independence Sanitarium and Hospital
Day Care Center
1509 West Truman Road
Independence, MO 64050
Telephone: 816-836-8100
Director: Ms. Jeannie Waterman

(19)

Huntsville Hospital Child Care Center
314½ Lowell Drive
Huntsville, AL 35801
Telephone: 205/533-8862
Director: Ms. Brenda Webb

(15)

Childrens Place at the Plaza
Box 2102
Albany, NY 12220
Telephone: 518/473-8659
Director: Ms. Deborah Miller

(20)

Fort Sanders Regional Medical Center
Child Enrichment Program
1909 Church Avenue, S.W.
Knoxville, TN
Telephone: 615/546-2811
Director: Ms. Sugar Davis

EMPLOYER SUPPORTED CHILD CARE PROGRAMS SURVEYED (cont'd)

(21)

Northside Child Development Center, Inc.
1011 14th Avenue North
Minneapolis, MN 55411
Telephone: 612/529-9107
Director: Ms. Julie Burmeister

(22)

Louise Child Care Center - Renaissance II
650 Smithfield Street
Pittsburgh, PA 15219
Telephone: 412/661-7340
Director: Mr. William Hignett

(23)

Broadcasters Child Development Center
3920 Alton Place, N.W.
Washington, DC 20016
Telephone: 202/686-7272
Director: Ms. Annie Burr Dodge

(24)

Children's Village
801 Arch Street
Philadelphia, PA 19107
Telephone: 215/925-2440
Director: Ms. Esther Cristol

(25)

Ford Foundation
320 East 43rd Street
New York City, NY 10017
Telephone: 212/573-5000
Director: Ms. Kathy Spahn

SURVEY OF EMPLOYER SUPPORTED CHILD CARE PROGRAMS
QUESTIONNAIRE

1. PROGRAM CHARACTERISTICS

1.1 Director's Name and Title:

1.1.2 Name: _____
1.1.3 Title: _____

1.2 Respondents Name and Title:

1.2.1 Name: _____
1.2.2 Title: _____

1.3 Center Classifications:

1.3.1 Direct Sponsorship: _____
1.3.2 Financial Support: _____
1.3.3 Model Type: _____

1.4 Center Name, Address and Phone:

1.4.1 Name: _____
1.4.2 Address: _____
1.4.3 Phone: _____
1.4.4 Location: Urban 50K(+) _____
 Medium 25-50K _____
 Small 10-25K _____
 Rural 10K(-) _____

1.5 Site of Program:

1.5.1 Total Enrollment: _____
1.5.2 Classes of Children: Infants _____
 Toddlers _____
 Preschool _____
 School Age _____
1.5.3 Enrollment Preferences: _____

1.6 Schedule:

- 1.6.1 Hours Per Day: _____
1.6.2 Days Per Week: _____
1.6.3 Weeks Per Year: _____

1.7 Services:

- 1.7.1 Formalized Curriculum: _____
1.7.2 Transportation: _____
1.7.3 Food: _____
1.7.4 Health Services: _____
1.7.5 Other: _____

1.8 FTE Staff:

- 1.8.1 Total Staff: _____
1.8.2 Admin. Staff: _____
1.8.3 Providers: _____
1.8.4 Volunteers: _____

1.9 Staff Characteristics:

- 1.9.1 Job Qualification Requirements: _____

1.9.2 Training Provided or Required: _____

1.10 Budget:

- 1.10.1 Total Annual: _____
1.10.2 Percent Personnel: _____

1.11 Fees:

- 1.11.1 Fee Schedule: _____
1.11.2 Fees at Cost: _____
1.11.3 Sliding Scale: _____

1.12 Major Problems:

- 1.12.1 Enrollment: _____
1.12.2 Funding Or Finances: _____

1.12.3 Staffing: _____
1.12.4 Space: _____
1.12.5 Community Relations: _____
1.12.6 Other: _____

1.13 Written Materials:

1.13.1 To Send: _____
1.13.2 Not Sending: _____

2. EMPLOYER SPONSOR CHARACTERISTICS

2.1 Type of Employer: _____

2.2 Number of Employees

2.2.1 Total: _____

2.2.2 Percent Women: _____

2.3 Status in Community: _____

2.4 Unit Cost to Employer: _____

2.5 Reasons For Employer Involvement: _____

3. PROGRAM HISTORY

3.1 When Started: _____

3.2 Organizers

3.2.1 Source: Employer: _____
Employees: _____
Union: _____
Community: _____
Other: _____

3.2.2 Comment: _____

3.3 How Has Program Changed and Why: _____

3.4 Availability of Child Care in Community: _____

4. PERSONAL OBSERVATIONS

4.1 Suggestion for Promoting Employer Involvement in Child Care:

Technical Assistance _____

Training _____

Direct Public Financial Support For:

Buildings _____

Operations _____

Other _____

Public Loan Support: _____

Private Subsidy and Loan Support: _____

Marketing Packages and Materials: _____

Relaxation of Licensing Standards: _____

Tax Incentives: _____

Comments: _____

4.2 Advantages and Disadvantages to Employer:

4.2.1 Advantages:

Recruitment: _____

Absenteeism: _____

Community Relations: _____

Turnover: _____

Tardiness: _____

Morale: _____

Other: _____

4.2.2 Disadvantages:

Cost: _____

Raised Expectations: _____

Ineffectiveness: _____

Administrative Burden: _____

Other: _____

APPALACHIAN CHILD CARE PROGRAMS SURVEYED

Ms. Nancy Killingsworth
Nan and Sue's Child Center
315 8th Street, S.W.
Fayette, AL 35555
Telephone: 205/932-3756
For Profit

Ms. Pat Jarrett
Director
Pickens County Child Care Center
P.O. Box 426
Jasper, GA 30143
Telephone: 404/692-6522
Non-Profit

Ms. Frances Hood
Director
First Baptist Church of Rainbow
City Day Care Center
200 East Grand Avenue
Gadsen, AL 35901
Telephone: 205/442-7020
Non-Profit

Ms. Sylvia Boling
Director
Kinder Care Learning Center, Inc.
2 Mathis Drive
Rome, GA 30161
Telephone: 404/232-4285
For Profit

Ms. Dorothy Lester
Director
Calhoun-Gordon Child Care Program
Edmonds Street
Calhoun, GA 30701
Telephone: 404/629-9123
Non-Profit

Ms. Mildred Rogers
Director
First Baptist Pre-School
Day Care Center
1701 Winchester Avenue
Ashland, KY 41101
Telephone: 606/324-6881
Non-Profit

Ms. Brenda Rapier
Personnel Director
Covenant Family Children's Center
700 West 7th Street
Chicamauga, GA 30707
Telephone: 404/375-5796
Non-Profit

Ms. Sadie Simpson
Director
Sadie's House Care
Route 1, Box 257
Baxter, KY 40806
Telephone: 606/573-3453

APPALACHIAN CHILD CARE PROGRAMS SURVEYED (cont'd)

Ms. Nancy Halloway
Director
Berea Child Care Association
P.O. Box 184
Berea, KY 40403
Telephone: 606/986-4573
Non-Profit

Mrs. Tarasility
Director
Jamestown Day Care Nursery
583 Falconer Street
Jamestown, NY 14701
Telephone: 716/665-2322
Non-Profit

Ms. Grace Bain
Director
Ken-Rich Pre-School
South Meadowlark
Richmond, KY 40475
Telephone: 606/623-0010
Non-Profit

Ms. Marge Dill
Director
Schuyler Day Care Center, Inc.
112 West South Street
Montour Falls, NY 14865
Telephone: 607/535-7131
Head Start

Ms. Ellen Pifer
Director
Garret County Child Development
104 East Center Street
Oakland, MD 21550
Telephone: 301/334-8152
Non-Profit

Ms. Margaret Monachino
Director
Olean Child Development Center
4th and Laurence Streets
Olean, NY 14760
Telephone: 716/372-4225
Non-Profit

Mr. Jesse Smith
Director
Oktibbeha County Community
Day Care Program
P.O. Drawer HN
Mississippi State, MS 39762
Telephone: 601/323-9161
Non-Profit

Ms. Susan Wolfgang
Director
Westfield Day Care
5 South Portage
Westfield, NY 14787
Telephone: 716/326-4338
Non-Profit

APPALACHIAN CHILD CARE PROGRAMS SURVEYED (cont'd)

Ms. Pat Bachert
Director
Coshocton County Day Care
2282 Otsego Avenue
Coshocton, OH 43812
Telephone: 614/622-3667
Non-Profit

Ms. Gail Laskowski
Director
North Pocono Pre-School and
Day Care Center
126 Brook Street
Moscow, PA 18444
Telephone: 717/842-2949
Non-Profit

Ms. Kathleen Mulligan
Director
Danville Day Care Center for
Child Development, Inc.
P.O. Box 183
Danville, PA 17821
Telephone: 717/275-4047
Non-Profit

Mr. Mark Lewis
Director
Childspace
331 West Fairmount Avenue
State College, PA 16801
Telephone: 814/237-6429
For Profit

Ms. Anne Green
Director
St. Martin's Day Care Center
1701 Parade Street
Erie, PA 16503
Telephone: 814/452-6113
Non-Profit

Ms. Jane Vicrery
Director
La Petite Academy
114 Continental Drive
Anderson, SC 20621
Telephone: 803/225-4600
For Profit

Ms. Rose Demer
Director
Mifflin County Child Development, Inc.
500 South Juniata
Lewistown, PA 17044
Telephone: 717/242-1455
Non-Profit

Mrs. Alvie Sue Kellett
Director
Alvie Sue Kellett's Nursery
409 Forest Lane
Belton, SC 29621
Telephone: 803/338-6688
For Profit

APPALACHIAN CHILD CARE PROGRAMS SURVEYED (cont'd)

Mrs. Ella Lowe
Director
Bethel Methodist Church
Day Care Center
245 South Church Street
Spartanburg, SC 29301
Telephone: 803/585-8356
Non-Profit

Ms. Ella Parker
Director
Toddler's Paradise Nursery
3816 Ivy Avenue
Knoxville, TN 37914
Telephone: 615/637-5904

Ms. Phyllis Buckner
Director
Buckner's Child Care Center
Route 5, Box 224
Blountville, TN 37617
Telephone: 615/323-8877

Ms. Jean Anne Dixon
Director
Carousel Learning Center
1713 North Main Street
Blacksburg, VA 24060
Telephone: 703/951-1714
For Profit

Ms. Shirley Gentry
Director
Elizabethon Community Day Care
208 West E Street
Elizabethon, TN 37643
Telephone: 615/543-3751
Non-Profit

Mr. Charles Howard
Director
Child Care Development Association
1940 Braeburn Avenue, N.W.
Salem, VA 24153
Telephone: 703/989-3661
For Profit

Ms. Donna Stittner
Kiddie Kollege
2308 Sherwood Road
Kingsport, TN 37664
Telephone: 615/245-2341
For Profit

Ms. Anne Thompson
Director
Little People's Place
P.O. Box 276
Ranson, WV 25438
Telephone: 304/725-1625
Non-Profit

APPALACHIAN CHILD CARE PROGRAMS SURVEYED (cont'd)

Mrs. Bruno
Director
Weirton Heights Day Care Center
1471 Core Road
Weirton, WV 26062
Telephone: 304/723-1140
For Profit

APPALACHIAN CHILD CARE PROGRAM SURVEY

QUESTIONNAIRE

1. PROGRAM CHARACTERISTICS

1.1 Director's Name and Title:

1.1.2 Name: _____

1.1.3 Title: _____

1.2 Respondents Name and Title:

1.2.1 Name: _____

1.2.2 Title: _____

1.3 Center Classifications:

1.3.1 Center: _____

1.3.2 Family Day Care: _____

1.3.3 Other: _____

1.4 Center Name, Address and Phone:

1.4.1 Name: _____

1.4.2 Address: _____

1.4.3 Phone: _____

1.4.4 Location: Urban 50K(+) _____

Medium 25-50K _____

Small 10-25K _____

Rural 10K(-) _____

1.5 Size and Enrollment:

1.5.1 Total Enrollment: _____

1.5.2 Classes of Children: Infants _____

Toddlers _____

Preschool _____

School Age _____

1.5.3 Enrollment Preferences: _____

1.5.4 Parent Income Distribution:

Title XX: _____

Private: _____

Other: _____

1.6 Schedule:

1.6.1 Hours Per Day: _____

1.6.2 Days Per Week: _____

1.6.3 Weeks Per Year: _____

1.7 Services:

1.7.1 Formalized Curriculum: _____

1.7.2 Transportation: _____

1.7.3 Food: _____

1.7.4 Health Services: _____

1.7.5 Other: _____

1.8 FTE Staff:

1.8.1 Total Staff: _____

1.8.2 Admin. Staff: _____

1.8.3 Providers: _____

1.8.4 Volunteers: _____

1.9 Staff Characteristics:

1.9.1 Job Qualification Requirements: _____

1.9.2 Training Provided or Required: _____

1.10 Budget:

1.10.1 Total Annual: _____

1.10.2 Percent Personnel: _____

1.10.3 Sources of Support (%): Title XX: _____

Foster GP: _____

CETA: _____

Fees: _____
Donations: _____
Other: _____
Other: _____
Total: _____

1.11 Fees:

1.11.1 Fee Schedule: _____
1.11.2 Fees at Cost: _____
1.11.3 Sliding Scale: _____

1.12 Major Problems:

1.12.1 Enrollment: _____
1.12.2 Funding Or Finances: _____
1.12.3 Staffing: _____
1.12.4 Space: _____
1.12.5 Community Relations: _____
1.12.6 Other: _____

1.13 Written Materials:

1.13.1 To Send: _____
1.13.2 Not Sending: _____

2. PROGRAM HISTORY

2.1 When Started: _____

2.2 Organizers

2.2.1 Source: Employer: _____
Employees: _____
Union: _____
Community: _____
Other: _____

2.2.2 Comment: _____

2.3 How Has Program Changed and Why: _____

2.4 Availability of Child Care in Community: _____

3 PERSONAL OBSERVATIONS

3.1 Experience Recruiting Employer Involvement

3.1.1 None: _____

3.1.2 Other (Describe): _____

3.2 Suggestion for Promoting Employer Involvement in Child Care:

Technical Assistance _____

Training _____

Direct Public Financial Support For:

Buildings _____

Operations _____

Other _____

Public Loan Support: _____

Private Subsidy and Loan Support: _____

Marketing Packages and Materials: _____

Relaxation of Licensing Standards: _____

Tax Incentives: _____

Comments: _____

3.3 Advantages and Disadvantages to Employer:

3.3.1 Advantages:

Recruitment: _____

Absenteeism: _____

Community Relations: _____

Turnover: _____

Tardiness: _____

Morale: _____

Other: _____

3.3.2 Disadvantages:

Cost: _____

Raised Expectations: _____

Ineffectiveness: _____

Administrative Burden: _____

Other: _____

4. AGREEMENT TO PARTICIPATE IN PARENT SURVEY

4.1 Agree: _____

4.2 Refuse: _____

APPALACHIAN CHILD CARE PROGRAM SURVEY INTERVIEW GUIDE

1. PROGRAM CHARACTERISTICS

- Type
- Director/Respondent
- Corporate status (profit, non-profit)
- Center address and phone
- Hours, days, months of operation
- Services: formalized curriculum
 - transportation
 - food
 - health services
- Size
 - number enrolled
 - age groups (infants, toddlers, preschool, school age)
 - handicapped: how many, types of handicaps
 - enrollment preferences
- Staff
 - administrative, provider, volunteers
 - job qualifications or requirements
 - training for new staff
- Budget
 - percent personnel costs
 - funding sources
 - fees, experience with collections
- Major problems

2. HISTORY OF PROGRAM

- When started
- Identify organizers
- How has program changed and why

3. EXPERIENCE WITH FUNDRAISING FROM PRIVATE EMPLOYERS

4. DESCRIPTION OF COMMUNITY

- Population
- Types of employers
- Need for child care

5. PERSONAL OBSERVATIONS

- Suggestions for promoting employer involvement in child care
- Advantages/disadvantages of employer involvement

6. AGREEMENT TO PARTICIPATE IN PARENT SURVEY

URC FAMILY HEALTH

a division of university research corporation

B-30



January 26, 1982

Ms. Pat Jarrett
Director
Pickens County Child Care Center
P.O. Box 426
Jasper, GA 30143

Dear Ms. Jarrett:

This is in response to our previous conversation in which you agreed to participate in the "Parent Survey" portion of our study for the Appalachian Regional Commission. We greatly appreciate your willingness to assist us in this effort.

The questionnaires to be distributed to the parents are enclosed. Only one questionnaire per family need be completed. The parents should enclose and seal the completed form in the blank envelopes provided and return them to you. The completed questionnaires should be returned to University Research Corporation in the prepaid envelope along with the respondent cover sheet enclosed here.

We plan to complete our analysis of this survey by the end of February so a quick response would be helpful. Please return whatever you have collected by February 12, 1982.

Please review the questionnaire before it is distributed. All findings will be kept strictly confidential. Parents are not asked to identify themselves and results will not be associated with individual centers. If you have any questions you may call me toll free at: 800-638-8090. Your cooperation is greatly appreciated.

Sincerely,

Leo Fishel
Project Director
Enclosures

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DAYCARE PROGRAM PARENT SURVEY
RESPONDENT COVER SHEET

Ms. Pat Jarrett

Director

Pickens County Child Care Center

P.O. Box 426

Jasper, GA 30143

404/692-6522

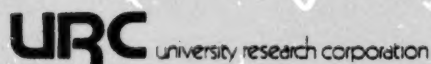
Non-Profit

Children Enrolled: 30

NOTE: Please correct any of the information presented above and enclose this with the completed survey forms. Also please note below the number of forms distributed and returned.

NUMBER DISTRIBUTED: _____

NUMBER RETURNED: _____



APPALACHIAN REGIONAL COMMISSION PARENT SURVEY

University Research Corporation is conducting a study of day care for the Appalachian Regional Commission. The views of parents who now have children enrolled in day care programs is an important part of this work. Your answers will be kept completely confidential. Please complete the questionnaire, seal it in the attached envelope, and return it to your day care director. Your cooperation is greatly appreciated.

1. How many persons live in your household? _____
2. How many persons in your household are over 18 years old and are employed? _____
3. How many children are there in your household?
 Number 6 years or younger. _____
 Number 7 to 14 years _____
4. How many of these children are in day care?
 Number full time _____
 Number part time _____
5. What is the total annual income of all persons in your household? \$ _____
6. Is there another wage earner who helps support your child or children who are in day care? (Check one)
 Yes (☐) No (☐)

IF YOU ANSWERED NO TO QUESTION #6 ANSWER THE FOLLOWING QUESTIONS FOR YOURSELF ONLY. IF YOU ANSWERED YES, ANSWER QUESTIONS #7 THROUGH #14 FOR YOURSELF AND FOR THE WAGE EARNER OTHER THAN YOURSELF WHO CONTRIBUTES THE MOST TOWARDS THE SUPPORT OF THIS CHILD OR CHILDREN.

- | | <u>YOURSELF</u>
(Check) | <u>OTHER WAGE EARNER</u>
(Check if applicable) |
|--|----------------------------|---|
| 7. Your sex and other wage earner's sex: (Check one) | | |
| Male (☐) (☐) | | |
| Female (☐) (☐) | | |
| 8. Relationship to the child enrolled in this day care program. (Check one) | | |
| Parent or Guardian (☐) (☐) | | |
| Other relative (☐) (☐) | | |
| Not related (☐) (☐) | | |
| 9. Education: (Check one) | | |
| Less than high school graduate (☐) (☐) | | |
| High school graduate (☐) (☐) | | |
| Some college or college graduate (☐) (☐) | | |
| 10. Employment: (Check one) | | |
| Employed (☐) (☐) | | |
| Not Employed (☐) (☐) | | |
| 11. If employed, approximately how many employees work for your employer in the town or location where you work? (Check one) | | |
| Less than 10 (☐) (☐) | | |
| 10 to 50 (☐) (☐) | | |
| 50 to 200 (☐) (☐) | | |
| More than 200 (☐) (☐) | | |

YOURSELF
(Check)

OTHER WAGE EARNER
(Check if applicable)

B-33

12. If employed, what is your income from this job? (Enter amount(s) and check one)

\$ _____ \$ _____

\$ per hour. . . () ()

\$ per week. . . () ()

\$ per month . . () ()

\$ per year. . . () ()

13. If employed, how many hours per week? _____

14. If employed, describe the type of employer
(for example: doctor's office, school,
retail store, etc.): _____

PLEASE GIVE YOUR OPINIONS ON THE QUESTIONS #15 THROUGH #19.

15. What was the main reason for enrolling in this day care program? (Check one)

To permit employment . ()

Better for child . . . ()

Other ()

If other, please explain: _____

16. There are many child care arrangements. Which have you used in the past? (Check as many as apply)

Family member in your home ()

Family member outside your home. . . ()

Non family member in your home . . . ()

Non family member outside your home. ()

Day care center ()

17. Where would you prefer to have day care located? (Check one)

Near home ()

Near work ()

Not important . . ()

18. What is the most you would be willing to pay per child for full-time day care? \$ _____ per week

19. How satisfied are you with the day care your child is now receiving at this program? (For each item please check if you are "very satisfied," "satisfied," or "not satisfied."

Very
Satisfied

Satisfied

Not
Satisfied

Cost () () ()

Quality of care () () ()

Building and play areas () () ()

Child's activities () () ()

Distance you have to travel. . () () ()

Flexibility of schedule () () ()

THANK YOU FOR YOUR HELP. PLEASE ENCLOSE THE QUESTIONNAIRE IN THE ENVELOPE PROVIDED AND RETURN TO YOUR DAY CARE DIRECTOR.

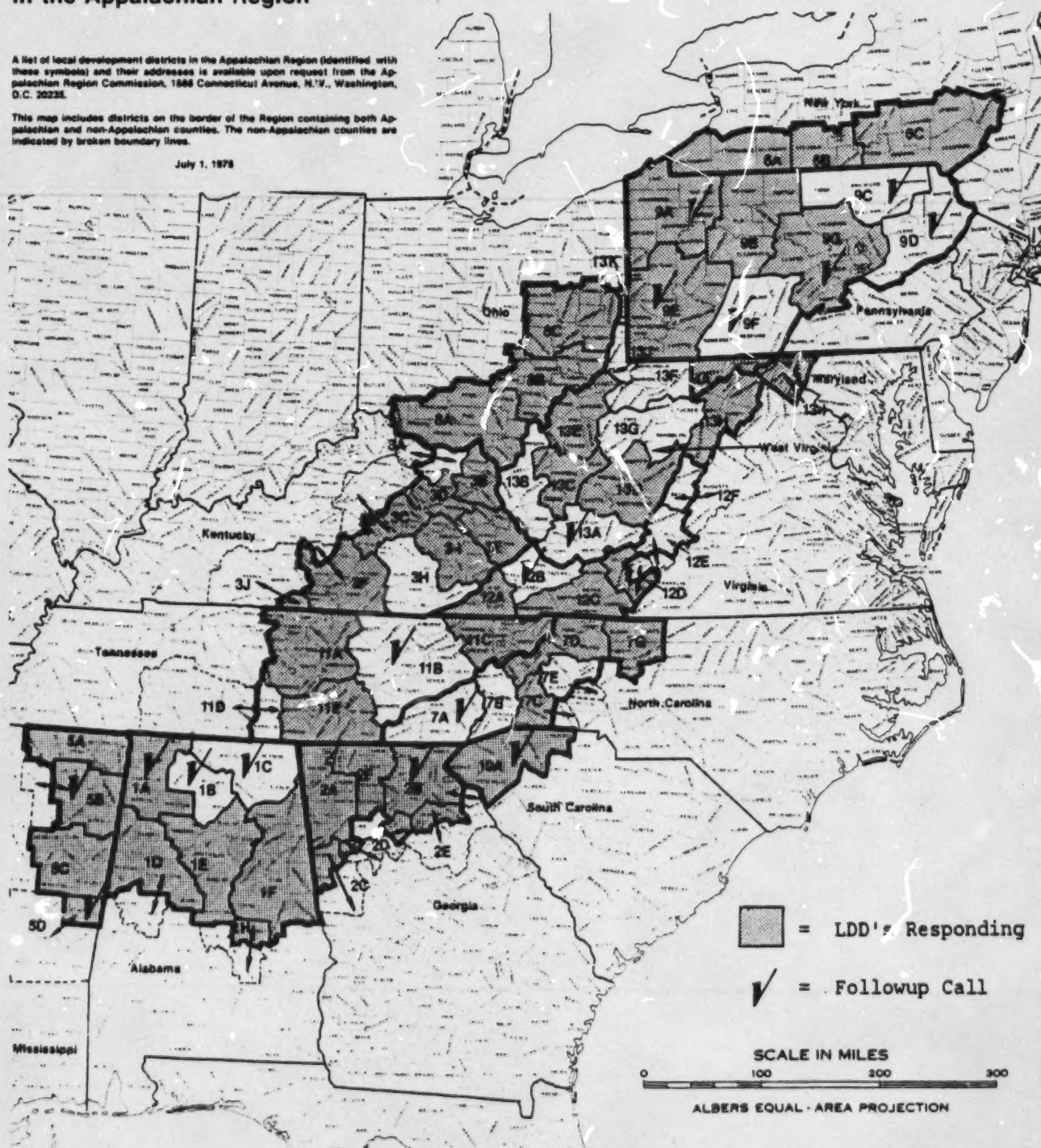
Code: 25

Local Development Districts in the Appalachian Region

A list of local development districts in the Appalachian Region (identified with these symbols) and their addresses is available upon request from the Appalachian Region Commission, 1888 Connecticut Avenue, N.W., Washington, D.C. 20238.

This map includes districts on the border of the Region containing both Appalachian and non-Appalachian counties. The non-Appalachian counties are indicated by broken boundary lines.

July 1, 1978





university research corporation

January 5, 1982

Mr. John Albritton
Executive Director
Golden Triangle Planning and
Development District
P.O. Drawer DN
Mississippi State University
Mississippi State, Mississippi 39762

Dear Mr. Albritton:

University Research Corporation is conducting a four month study of employer sponsored day care for the Appalachian Regional Commission. The purpose of the study is to help prepare a report for the Commission which will analyze the potential for employer support for day care. The study will consist of six surveys the last of which will be a mail survey of a representative sample of Appalachian employers. We are asking each of the LDDs to help us by identifying thirteen employers within the LDD's region as follows:

Manufacturing:	5 employers
Retail/Wholesale:	3 employers
Service:	3 employers
Public Sector:	2 employers
Total	13 employers

An instruction sheet specifying how the sample of employers should be drawn is enclosed. A blank data sheet for each employer is also enclosed along with a prepaid return envelope. The respondent sheet attached should be returned with the employer data sheets.

We expect to mail the employer questionnaires during the week of February 1, 1982 so a quick response would be helpful. If you have any questions or problems with this please call. You may call me toll free at 800-638-8090. You may also contact the ARC Project Officer, Ms. Cari Prickett, at 202-673-7876.

If you would like a copy of our final report please so indicate when the data sheets are returned.

Sincerely,

Leo Fishel
Project Director

Enclosures
lf/ae (8834)

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EMPLOYER SAMPLE INSTRUCTION SHEET

To help us contact a representative cross-section of Appalachian employers, we need your assistance in identifying a few employers within your district that fall into each of four categories. Please do your best to provide the number of names and addresses asked for in each category. Generally, you will have many employers to choose from, so you might want to start with firms you have worked with before, and expect will cooperate with our study.

For each employer, please give us the name of the firm, the mailing address, telephone number, and name of the chief executive officer, human resources/personnel director, or other person who makes personnel policy decisions. In the case of chain stores, branches, plants or subsidiaries, give us the name of the local manager if personnel policy decisions are made at that level. List a divisional, regional, or national headquarters only if those addresses are within your district.

- A. Manufacturing. Please designate 5 manufacturers that each employ a minimum of 100 workers, including office personnel. Exclude primary metal operations such as steel mills or smelters, or other manufacturers that are not likely to employ many women. Some examples of employers you might consider listing include textiles, apparel, furniture, appliances, electronics, parts fabricators, and defense suppliers. Also consider canneries, communications equipment, glass and pottery, finished plastic goods, pharmaceuticals, and printing. Try to vary the employers you list so they represent different groups.
- B. Retail/Wholesale. Please designate 3 employers that each employ at least 50 workers. Some examples are supermarkets, department stores, restaurants, fast-food outlets, discount stores, clothing chains, drug stores or mail-order firms. Try to include at least one wholesale distributor that employs 50 or more persons, such as an electrical or building supply firm, or a drug or food wholesaler. Also consider suppliers of business machines, wholesale beverage distributors, or restaurant suppliers.
- C. Services. Please designate 3 employers that employ at least 50 workers. Included in this group are private and public hospitals, banks, insurance companies, real estate firms, and privately owned utilities as well as bus lines and taxi firms. This group also includes hotels, accounting firms, research and consulting firms, amusement parks, advertising firms and security dealers.
- D. Public Sector. Please list 2 county or local governments, school districts or colleges and universities that each employ at least 50 people. Separate schools from county governments only if they are separately operated. Do not include state or federal offices or facilities. Hospitals, including public hospitals, are included under services. You may list privately funded schools and colleges, secretarial and trade schools, and nonprofit groups as well as the headquarters of associations.

EMPLOYER DATA SHEET

1. EMPLOYER/COMPANY NAME:

NAME

2. CHIEF EXECUTIVE OFFICER:

NAME_____
TITLE3. HUMAN RESOURCES DIRECTOR OR
OTHER RESPONSIBLE PARTY IF
CEO NOT AVAILABLE:_____
NAME_____
TITLE

4. TELEPHONE NUMBER:

AREA CODE, NUMBER, AND EXTENSION

5. EMPLOYER ADDRESS:

BUILDING/ROOM NUMBER:

BUILDING AND ROOM NUMBER

STREET ADDRESS:

STREET ADDRESS

CITY/STATE/ZIP CODE:

CITY, STATE, AND ZIP CODE

CODE: (1)

RESPONDANT COVER SHEET

Mr. John Albritton

Executive Director

Golden Triangle Planning and

Development District

P.O. Drawer DN

Mississippi State University

Mississippi State, Mississippi 39762

NOTE: Please correct any information presented above and enclose in the return envelope as the cover sheet for the employer data forms. If the respondant is someone other than the Executive Director please indicate.

DATE

INDIVIDUAL

TITLE

EMPLOYER NAME

STREET ADDRESS

CITY, STATE, ZIP

Dear (Individual):

In December 1981, the Governors of the thirteen Appalachian States submitted a plan at the request of the Congress that provides for an orderly completion of all the Commission's development activities in the 397 counties of Appalachia. This plan emphasizes the promotion of jobs, private sector investments, and greater private participation in the economic development of Appalachia. To carry out this emphasis, the Commission will provide assistance for establishing or adapting existing child care services to meet the needs of an industry and its employees.

Also, the Economic Recovery Act of 1981 has improved the tax benefits to individuals and corporations for child and dependent care.

It has come to my attention that the private sector has begun to assist the families of their employees in meeting their need for adequate and affordable child care by implementing employer-sponsored programs. Industries like Corning Glass Works, Wang Laboratories, and Intermedics have implemented some type of employer-sponsored child care program. These industries have documented that such programs have had a positive effect on various employee problems.

In recognition of these developments, the Appalachian Regional Commission would like to compile and provide information that would be helpful to you. Enclosed is a brief survey that will help us to provide you with such information. All survey results will be kept confidential. A copy of the report regarding this survey will be shared with you if you so indicate on the attached questionnaire.

As Executive Director of the Appalachian Regional Commission, I ask your cooperation with this survey and thank you for taking the time to tell us what you think about this most vital issue.

Sincerely,

FRANCIS E. MORAVITZ
Executive Director

APPALACHIAN REGIONAL COMMISSION--EMPLOYER SURVEY
I. Descriptive Information

1.1 What type of employer is your organization? (check one)

Manufacturing	☐
Retail or Wholesale	☐
Services (bank, utility, hotel, hospital, etc.)	☐
Public Sector (school, college, local government, etc.)	☐

 1.2 Approximately how many people work for your organization locally?

 1.3 Approximately what percent of these local employees are female? %

 1.4 Approximately what percent of local employees are under age 35? %

 1.5 How many work shifts does your organization normally operate?

1.6 How would you describe your organization's local community status? (check one)

 Major Employer ☐ Medium Employer ☐ Small Employer ☐

1.7 What is the approximate population of the local community? (check one)

 50,000 or more ☐ 25,000 - 49,999 ☐

 10,000 - 24,999 ☐ 9,999 or less ☐

1.8 Are most components of your fringe benefits package determined locally?

 Yes ☐ No ☐

 II. The following questions concern your organization's experience with, knowledge of, and potential involvement in child care services for your employees' children. Involvement may consist of indirect support to assuming part or all costs.

2.1 Has your organization done or would it consider doing any of the following to accommodate your employees' child care needs? (check one for each item)

	DONE OR DOING	WOULD CONSIDER	WOULD NOT CONSIDER
A. Offer part time, job sharing, flexible work scheduling or flexible work place arrangements	☐	☐	☐
B. Examine local opportunities for child care	☐	☐	☐
C. Survey employees to determine their child care needs	☐	☐	☐
D. Help support or provide child care information and referral services to employees	☐	☐	☐
E. Contribute money or other assistance to a child care program	☐	☐	☐
F. Provide a flexible fringe benefits package with child care as an option . . .	☐	☐	☐
G. Provide enrollment subsidies to employees for child care services	☐	☐	☐

DONE OR DOING	WOULD CONSIDER	WOULD NOT CONSIDER

H. Operate or provide principal support for a child care center at or near the work site

() () ()

2.2 Would providing child care services help reduce any of the following problems for your employees with preschool children? (check one for each item)

YES NO

[illegible]

() ()
() ()
() ()
() ()

2.3 Does your organization know about or would it like to know more about any of the following? (check one for each item)

KNOW ABOUT	WOULD LIKE TO KNOW MORE	NOT INTERESTED
1	1	1

A. How to determine the needs for
child care

()

()

()

3. Ways you can help employees who need child care

()

()

()

C. Ways other employers have become involved with child care

()

()

()

D. Tax benefits for corporations and individuals involved with child care

()

()

(

E. How various child care programs operate and are supported

()

()

()

2.4 Would your organization send a representative to a local conference about employer supported child care services? Yes () No ()

2.5 Please add any observations or other remarks you may have about employer involvement in child care services:

[illegible]

Thank you. Please return this questionnaire in the prestamped envelope. If you would like to receive the findings from this survey and other material about employer involvement in child care please note your request when the questionnaire is returned.

**APPALACHIAN REGIONAL COMMISSION**

1666 Connecticut Avenue, N.W.
Washington, D.C. 20235

Date: March 24, 1982

Subject: Appalachian Regional Commission Industry/Employer Child Care Study

To: Local Development District Executive Director or Appropriate Staff Person

You recently provided University Research Center, Inc., a list of employers in your local development district to be included in the Appalachian Regional Commission's Industry/Employer Child Care Study. At this time, I would like to thank you for your assistance in this part of the study.

University Research Center, Inc. has mailed each of the employers included in your list a questionnaire requesting general information on the subject. To date, approximately 33 percent of the questionnaires have been completed and returned. University Research Center has indicated that a 50 percent return would increase the validity of the study.

I would like your assistance once more in the completion of this study. Enclosed is a list of the employers in your district; those with a check (✓) mark have completed the questionnaire. If you would contact those industries who have not yet responded and remind them that a completed questionnaire would add to the validity of the study, I would be most appreciative. Enclosed are extra questionnaires in case an employer has lost the original. If an employer should request an additional questionnaire, please remind them to include their company name and address on the questionnaire and assure the employer that the response they provide will not be revealed on an individual basis.

Should you have any questions, please contact Cari Prickett at 202/673-7876.

Again, thank you for your past cooperation on this study and in advance, thank you for any follow-up you may conduct.

CARI PRICKETT
Project Coordinator

URC university research corporation

RETURN TO:

UNIVERSITY RESEARCH CORPORATION
5530 Wisconsin Avenue, N.W.
Washington, D.C. 20015
Attn: Mr. Leo Fishel

Employer
Name: _____
Address: _____

Phone No.: _____

SECOND MAILING
APPALACHIAN REGIONAL COMMISSION--EMPLOYER SURVEY

I. Descriptive Information

1.1 What type of employer is your organization? (check one)

Manufacturing ☐
Retail or Wholesale ☐
Services (bank, utility, hotel, hospital, etc.) ☐
Public Sector (school, college, local government, etc.) ☐

1.2 Approximately how many people work for your organization locally? _____

1.3 Approximately what percent of these local employees are female? _____%

1.4 Approximately what percent of local employees are under age 35? _____%

1.5 How many work shifts does your organization normally operate? _____

1.6 How would you describe your organization's local community status? (check one)

Major Employer ☐ Medium Employer ☐ Small Employer ☐

1.7 What is the approximate population of the local community? (check one)

50,000 or more ☐ 25,000 - 49,999 ☐

10,000 - 24,999 ☐ 9,999 or less ☐

1.8 Are most components of your fringe benefits package determined locally?

Yes ☐ No ☐

II. The following questions concern your organization's experience with, knowledge of, and potential involvement in child care services for your employees' children. Involvement may consist of indirect support to assuming part or all costs.

2.1 Has your organization done or would it consider doing any of the following to accommodate your employees' child care needs? (check one for each item)

	DONE OR DOING	WOULD CONSIDER	WOULD NOT CONSIDER
A. Offer part time, job sharing, flexible work scheduling or flexible work place arrangements	☐	☐	☐
B. Examine local opportunities for child care	☐	☐	☐
C. Survey employees to determine their child care needs	☐	☐	☐
D. Help support or provide child care information and referral services to employees	☐	☐	☐
E. Contribute money or other assistance to a child care program	☐	☐	☐
F. Provide a flexible fringe benefits package with child care as an option	☐	☐	☐
G. Provide enrollment subsidies to employees for child care services	☐	☐	☐

- | | <u>DONE
OR
DOING</u> | <u>WOULD
CONSIDER</u> | <u>WOULD
NOT
CONSIDER</u> |
|--|------------------------------|--|-----------------------------------|
| H. Operate or provide principal support for a child care center at or near the work site | ☐ | ☐ | ☐ |
| 2.2 Would providing child care services help reduce any of the following problems for your employees with preschool children? (check one for each item) | | | |
| | <u>YES</u> | <u>NO</u> | |
| Absenteeism and tardiness | ☐ | ☐ | |
| Recruitment and retention | ☐ | ☐ | |
| Productivity | ☐ | ☐ | |
| Morale | ☐ | ☐ | |
| 2.3 Does your organization know about or would it like to know more about any of the following? (check one for each item) | | | |
| | <u>KNOW
ABOUT</u> | <u>WOULD
LIKE TO
KNOW MORE</u> | <u>NOT
INTERESTED</u> |
| A. How to determine the needs for child care | ☐ | ☐ | ☐ |
| B. Ways you can help employees who need child care | ☐ | ☐ | ☐ |
| C. Ways other employers have become involved with child care | ☐ | ☐ | ☐ |
| D. Tax benefits for corporations and individuals involved with child care | ☐ | ☐ | ☐ |
| E. How various child care programs operate and are supported | ☐ | ☐ | ☐ |
| 2.4 Would your organization send a representative to a local conference about employer supported child care services? Yes ☐ No ☐ | | | |
| 2.5 Please add any observations or other remarks you may have about employer involvement in child care services: | | | |

Thank you. Please return this questionnaire in the prestamped envelope. If you would like to receive the findings from this survey and other material about employer involvement in child care please note your request when the questionnaire is returned.